

DIRECTOR'S REPORT

Dear Members,

Your Directors are please to present the 30th Annual Report together with the audited financial statement for the year ended 31st March, 2021.

1. FINANCIAL HIGHLIGHTS

During the year under review, performance of your company as under:

Particulars	(In Rupees)	
	Year ended 31 st March, 2021	Year ended 31 st March, 2020
Turnover	6,96,288	21,83,436
Profit/ (Loss) before taxation	98,988	3,45,788
Less: Tax Expenses	25,737	85,551
Profit/ (Loss) after taxation	73,251	2,60,237
Add: Balance B/F from the previous year	65,03,878	62,43,641
Balance Profit/ (Loss) C/F to the next year	65,83,129	65,03,878

2. REVIEW OF BUSINESS OPERATIONS

The turnover during the year is Rs.6,96,288/- as compared with previous year of Rs.21,83,436/-, the company earned net profit of Rs. 73,251/-.

3. DIVIDEND

Your directors do not wish to transfer any amount to Reserves.

4. AMOUNT TRANSFERRED TO RESERVES

The Board of the company do not wish to transfer any amount to Reserves.

5. NUMBER OF BOARD MEETING & ATTENDANCE

Four Board Meetings were held during the financial year 2020 - 2021:

Sr. No	Date of meeting	Total No. of Directors on the date of meeting	No. of Directors attended	% of attendance
1.	25.07.2020	2	2	100
2	28.09.2020	2	2	100
3	23.12.2020	2	2	100
4	20.03.2021	2	2	100

6. CORPORATE GOVERNANCE

The company has been following best Corporate Governance practice, the management strives to protect the interest of all stakeholders in most transparent and fair manner.

7. COVID - 19 IMPACT

The global outbreak of COVID-19 pandemic and the nation-wide lockdown imposed had major impact on functioning & business of the company. The COVID-19 pandemic is still impacting all economic activities worldwide in varied ways. In light of the COVID-19 pandemic, it was very difficult to carry out the business of the company leading to drastic downfall in the turnover from Rs.21,83,436/- to Rs.6,96,288/-. The Company is now worried less about disruptions due to the pandemic and more about how it can leverage the situation to ensure sustained growth and diversification.

8. EXTRACT OF ANNUAL RETURN

Since the Company doesn't have its website, we have not uploaded the 'Extract of Annual Return'.

9. HOLDING COMPANY

The company is a subsidiary company of M/S. Diffusion Engineers Limited (CIN-U99999MH2000PLC124154)

10. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

There were no transactions related to loans, guarantees and investments under Section 186 of the Companies Act, 2013.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business.

All related party transactions as required under Accounting Standard-18 are reported in *Note No. 20* of the financial statement

12. AUDITORS

At the Annual General Meeting held on 14th September 2019, M/s. P. N. Gupta, Chartered Accountants, Nagpur (Membership No 44161) was appointed as statutory auditors of the company for a period of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, they have confirmed that they are not disqualified from continuing as Auditors of the company.

The auditor's report along with notes & schedules is a part of Annual Report. There has no qualifications, reservations or adverse remarks or disclaimer given by the Auditors in their report.

13. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

There were no cases reported during the year under review, hence no disclosure is required under the Act.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The requirements of Section 135 of the Companies Act, 2013 are not applicable to the company and hence no CSR Committee has formed.

15. RISK MANAGEMENT POLICY

Risk management is the process of identification, assessment and prioritization of risk followed by co-ordinated efforts to minimize, monitor and control the probability and impact of unfortunate events or to maximize the realization of

opportunities. The company has been constantly assessing various risk factors and it has adequate risk review system.

16. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

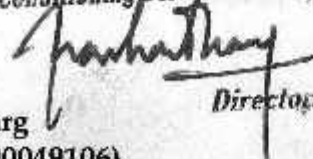
- a) in the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit / loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. ACKNOWLEDGMENT

Your Directors place on record their gratitude to government authorities, Bankers and all stakeholders for the assistance, co - operation and encouragement they extended to the Company. Your directors also wish to place on records their sincere thanks and appreciation to Employees at all levels for continuing support and unstinting efforts in ensuring an excellent all around operational performance.

For and on behalf of the Board of Directors of
Diffusion Super Conditioning Services Limited

Diffusion Super Conditioning Services Pvt. Ltd.


Director

Prashant Garg
(DIN -00049106)

Director
3, Pawanbhoomi, Somalwada,
Wardha Road, Nagpur - 440 025

Place : Nagpur
Date : 07/09/2021



P.N. GUPTA
CHARTERED ACCOUNTANT

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Tel. : 2453465

RESIDENCE
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Tel. : 2458975, 9823370209

INDEPENDENT AUDITOR'S REPORT

To,
The Members of **DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD.**,
Nagpur

We have audited the accompanying financial statements of **DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD.**, which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31-March, 2021, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, with read with the Companies (Indian Accounting Standards) Rules, 2015 as amended





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- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind As financial statements - Refer disclosure note B to the financial statements.
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For CA P. N. Gupta

Chartered Accountant

Place: Nagpur

Date : 07/09/2021



P. N. Gupta

(Proprietor)

**Unique Document Identification Number (UDIN) for this document
is 21044161AAAAFT3127**



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"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

The annexure referred to in our independent auditor's report to the members of, **DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD** on the Financial Statements for the year ended 31st March 2021, we report that:

- i. In respect of Fixed Assets:
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets except location wise details of some of the moveable assets shifted/transferred amongst various sites;
 - b) The fixed assets have been physically verified by the management during the year under its regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) According to the information and explanation given to us by the management, the title deeds of immovable properties are held in the name of the company.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business and no material discrepancies were noticed on such physical verification.
- iii. In respect of Loans and Advances:
 - a) The company has not granted any unsecured loans to company covered in the register maintained under section 189 of the Companies Act, 2013.
 - b) The rate of interest wherever charged, and other terms & conditions thereof are prima facie, not prejudicial to the interest of the company except for one loan granted to a subsidiary, on account of the fact that loan is non-interest bearing.
 - c) There is no overdue amount for more than ninety days.
- iv. According to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the Companies Act, 2013 in respect of loans, guarantees, investments and securities.
- v. The Company has not accepted any deposits from public within the meaning of sections 73 to 76 or any other relevant provision of the Companies Act and the rules framed there under, where applicable. Therefore the said clause is not applicable to the Company.

The Central Government has prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act 2013 in respect of one of the products, manufactured by the company. We have broadly reviewed the accounts and records of the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the accounts and records with a view to determine whether these are accurate or complete.





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vi. In respect of statutory dues:

- a) According to the information and explanations given to us and in our opinion, the Company has no undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, GST, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues, as applicable, with the appropriate authorities and hence, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months.
- b) According to the information and explanations given to us and the records of the company examined by us, there are no outstanding dues of Income Tax, Sales Tax, GST, Custom Duty, Excise Duty, Service Tax or Value Added Tax that have not been deposited on account of any disputes,
- (viii) According to the records of the company examined by us and information and explanations given to us, in our opinion the Company has not defaulted in repayment of loans and borrowings to any financial institutions, banks, Government during the year. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, no term loans have been obtained. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of fraud by the company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements, as required by the applicable accounting standards.





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- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For CA P N GUPTA
Chartered Accountants

CA P N GUPTA
Proprietor
Membership No.044161
UDIN: 21044161AAAAFT3127

Place : Nagpur
Date : 07/09/2021





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"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF M/s DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of **DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD** as on March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





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Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For CA P N GUPTA
Chartered Accountants

CA P N GUPTA
Proprietor
Membership No.044161
UDIN: 21044161AAAAFT3127

Place : Nagpur
Date : 07/09/2021



DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD.
BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at 31.03.2021 In Rs.		As at 31.03.2020 In Rs.
I. EQUITY AND LIABILITIES				
1) Shareholders Funds				
a) Share Capital	2	3,80,000	3,80,000	
b) Reserve & Surplus	3	65,83,129	65,03,878	
c) Money Received against Share Warrants		-	-	
		<u>69,63,129</u>	<u>-</u>	68,83,878
2) Share Application Money Pending Allotment				
3) Non Current Liabilities				
a) Long Term Borrowings	4	-	5,90,719	
b) Deferred Tax Liabilities (Net)	5	29,440	21,976	
c) Other Long Term Liabilities		-	-	
d) Long Term Provisions		-	-	
		<u>29,440</u>	<u>-</u>	6,12,695
4) Current Liabilities				
b) Trade Payables	6	8,134	5,302	
d) Short Term Provisions	7	90,964	1,86,291	
c) Other Current Liabilities	8	7,500	8,000	
		<u>1,06,598</u>	<u>8,000</u>	1,99,593
	Total	<u><u>70,99,167</u></u>	<u><u>76,96,166</u></u>	
II. ASSETS				
1) Non Current Assets				
a) Fixed Assets				
i) Tangible Assets	9	8,528	12,741	
ii) Intangible Assets		-	-	
iii) Capital Work in Progress		-	-	
iv) Intangible Assets under Development		-	-	
		<u>8,528</u>	<u>-</u>	12,741
b) Non Current Investments	10	38,07,887	40,12,600	
c) Deferred Tax Assets (Net)		-	-	
d) Long Term Loans & Advances		-	-	
e) Other Non Current Assets		-	-	
		<u>38,07,887</u>	<u>-</u>	40,12,600
2) Current Assets				
a) Current Investments		-	-	
b) Inventories		-	-	
c) Trade Receivables	11	9,93,078	14,69,454	
d) Cash and Cash Equivalents	12	20,26,787	18,57,619	
e) Short Term Loans and Advances	13	2,62,886	3,43,752	
		<u>32,82,751</u>	<u>3,43,752</u>	36,70,825
	Total	<u><u>70,99,167</u></u>	<u><u>76,96,166</u></u>	
Significant Accounting Policies	1	-	-	-0.01
Other Notes on Accounts	20-21	-0.16	-	-

For and on behalf of Board of Directors

Prashant Garg
PRASHANT GARG
DIRECTOR

Chitra Garg
CHITRA GARG
DIRECTOR

Place: Nagpur
Date : 07/09/2021

As per our Report of even date attached.

For P. N. GUPTA
CHARTERED ACCOUNTANTS

P. N. GUPTA
PROPRIETOR
M. No. 44161



DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

Particulars	Note No.	As at 31.03.2021 in Rs.	As at 31.03.2020 in Rs.
1 Revenue from Operations (Gross)	14	6,96,288	21,83,436
Less: Excise Duty/Service Tax Recovered on Sales			
Revenue from Operations (Net)		6,96,288	21,83,436
2 Other Income	15	1,53,306	1,35,045
3 Total Revenue (1+2)		8,49,594	23,18,481
4 Expenses			
Cost of Material Consumed	16	4,88,555	16,97,967
Employee Benefits Expense	17	75,000	75,000
Depreciation and Amortization Expenses	9	4,213	3,589
Other Expenses	18	1,82,838	1,96,137
Total Expenses		7,50,606	19,72,693
5 Profit/(Loss) before Tax (3-4)		98,988	3,45,788
6 Tax Expense			
Current Tax		18,273	75,947
Income Tax of Earlier years		-	-
Deferred Tax Liability / (Credit)		7,464	9,604
		25,737	85,551
7 Profit/(Loss) for the year (5 - 6)		73,251	2,60,237
8 Earnings Per Share (Rs.)			
a) Basic	19	19.28	85.29
b) Diluted		19.28	85.29
Significant Accounting Policies	1		
Other Notes on Accounts	20-21		

For and on behalf of Board of Directors

Prashant Garg
PRASHANT GARG
 DIRECTOR

Chitra Garg
CHITRA GARG
 DIRECTOR

For P. N. GUPTA
 CHARTERED ACCOUNTANTS

P. N. Gupta
P. N. GUPTA
 PROPRIETOR
 M. No. 44161

Place: Nagpur
 Date : 07/09/2021



DIFFUSION SUPER CONDITIONING SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2021

PARTICULARS	AS At March 31, 2021		AS At March 31, 2020	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		98,988		3,45,788
Net Profit before tax				
Adjustments for :				
Bad Debts Written off		-		
Write Back		4,213		3,589
Depreciation		-		
Dividend on Investments				
Interest and Finance Charges		(1,43,705)		(1,25,045)
Interest Income		(9,601)		
Loss / (Surplus) on Sale of Fixed Assets / Investments (Net)		-		
Inter Company Stock Reserve		-		
CSR		-		
Operating Profit before Working Capital changes		(50,105)		2,24,332
Adjustment for :				
Inventories		4,76,376		(9,13,411)
Trade Receivables		(500)		(2,000)
Current Liabilities		86,866		(17,588)
Short Term Loans & Advances		(95,327)		(84,650)
Short Term Provisions		2,832		(2,818)
Trade Payables		-		-
Cash generated from Operations		4,20,142		(7,96,135)
Direct Taxes Paid		(18,273)		(75,947)
Net Cash Flow from Operating Activities (A)		4,01,869		(8,72,082)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Inflow / (Outflow) on account of :				
Dividend on Investments		-		
Profit/(loss) on sale of Investments		1,43,704		1,25,045
Interest Income		-		
(Purchases) / Sales of Fixed Assets (Net)		-		
(Purchases) Capital W.I.P		2,14,314		
(Purchases) / Sales of Investments (Net)		3,58,018		1,25,045
Net Cash Flow from Investing Activities (B)				
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds / (Repayment) from/of Secured Loans		(5,90,719)		5,90,719
Interest and Finance Charges		-		
Dividend paid (including tax on dividend)		-		
Net Cash Flow from Financing Activities (C)		(5,90,719)		5,90,719
D. FOREIGN EXCHANGE TRANSLATION RESERVE				
Net Increase / (Decrease) in Cash and Cash Equivalents [A+B+C+D]		1,69,168		(1,56,318)
Cash and Cash Equivalents as at the beginning of the year	18,57,619		20,13,937	
Cash and Cash Equivalents as at the end of the year	20,26,787		18,57,619	
		1,69,168		(1,56,318)

As per our report of even date
For CA P.N. GUPTA
Chartered Accountant

P.N. Gupta
Proprietor P.N GUPTA
Membership Number: 044161
Place : Nagpur
Date : 07/09/2021



For and on behalf of the Board of Directors of
DIFFUSION SUPER CONDITIONING SERVICES PRIVATE LIMITED

Prashant Garg
PRASHANT GARG
Director

Chitra Garg
CHITRA GARG
Director

Place : Nagpur
Date : 07/09/2021

DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

1.01 Basis of Preparation of Financial Statements

The Financial Statements are prepared under the historic cost convention in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 2013 (to the extent notified) and Companies Act, 1956 (to the extent applicable).

1.02 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

1.03 Revenue Recognition :

Revenue is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer. Sales are recorded at invoice value, net of Goods and Receivable Tax (GST), returns and trade discounts. Revenue is recognized on accrual basis except in case of significant uncertainties. Export incentives are recognized on accrual basis in the year of export. The job work revenue are recorded net of service tax on accrual basis. Interest and Rent Income are accounted on accrual basis.

1.04 Fixed Assets and Depreciation

a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation.
b) Depreciation on tangible fixed assets is provided on Written Down Value Method over the Life specified in the Schedule II to the Companies Act, 2013.

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1.05 Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated depreciation. Software are amortised over period of six years.

wdv

16.66667

1.06 Other Accounting Policies:

These are consistent with the generally accepted accounting practices.



DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 2
SHARE CAPITAL

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Authorised		
5,000 (5,000) Equity Shares of Rs.100/- each,	5,00,000	5,00,000
	<u>5,00,000</u>	<u>5,00,000</u>
Issued, Subscribed and Paid up		
3,800 (3,800) Equity Shares of Rs.100/- each, fully paid up.	3,80,000	3,80,000
TOTAL	<u>3,80,000</u>	<u>3,80,000</u>

2.01 Reconciliation of the number of Equity Shares outstanding at beginning and at the end of the year

PARTICULARS	As at 31.03.2020		As at 31.03.2021	
	No. of Shares	Amount	No. of Shares	Amount
		In Rs.		In Rs.
Shares outstanding at the beginning	3,800	3,80,000	3,800	3,80,000
Shares outstanding at the end of the year	<u>3,800</u>	<u>3,80,000</u>	<u>3,800</u>	<u>3,80,000</u>

2.02 Details of Shareholders holding more than 5% shares

Name of Shareholder	As at 31.03.2020		As at 31.03.2021	
	No of Shares held	Percentage to Capital	No of Shares held	Percentage to Capital
i. Diffusion Engineers Ltd	3760	98.95%	3760	98.95%

2.03 Rights of Equity Shareholders

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder

NOTE 3
RESERVES AND SURPLUS

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Balance as per last Balance Sheet	65,03,878	62,43,641
Add: Prior Period item	6,000	
Add: Profit for the year	<u>73,251</u>	<u>2,60,237</u>
TOTAL	<u>65,83,129</u>	<u>65,03,878</u>



NOTE 4
TRADE PAYABLES

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Trade Payables - Micro, Small and Medium Enterprises		
MAA Bamleshwari Enterprises	5,182.00	5,182.00
Spoton Logistics Pvt Ltd	120.00	120.06
- Others #	2,832.00	-
TOTAL	8,134.00	5,302.06

Total amount payable to related party.

NOTE 5
SHORT TERM BORROWINGS

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
A. Syndicate Bank Overdraft	-	5,90,719
TOTAL	-	5,90,719

NOTE 6
DEFERRED TAX LIABILITIES/ ASSETS (NET)

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
A. Deferred Tax Liabilities	29,440	21,976
TOTAL	29,440	21,976
Net Deferred Tax (Liability) / Asset	29,440	21,976

NOTE 7
SHORT TERM PROVISIONS

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
CST	32.00	32.00
Provision for Income Tax	23,432	5,159
Commission payable to Directors	67,500	73,500
Duties and Taxes	-	31,653
Current tax	-	75,947.00
TOTAL	90,964	1,86,291



NOTE 8
OTHER CURRENT LIABILITIES

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
TDS Payable	-	-
Audit Fees Payable	7,500	8,000
other	-	-
TOTAL	7,500	8,000

* Mainly includes Provision for Expenses

NOTE 10
NON CURRENT INVESTMENTS

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
National Saving Certificate	12,600	12,600
Investment in Nowelco Industries Pvt Ltd	15,00,000	15,00,000
Franklin Templeton family	22,95,287	25,00,000
TOTAL	38,07,887	40,12,600

NOTE 11
TRADE RECEIVABLES

(Unsecured, considered good and subject to confirmation)

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Other Receivables - considered good		
Diffusion Engineers Ltd	4,33,776.62	
S. P. Agro Industries	7,250.00	
Mahalaxmi Trading Co Ltd	14,317.00	
R. B. Technocraft & Reclaimer	5,30,105.00	
Tirth Agency, Valsad	3,127.00	
Vibhabharti Construction	4,501.00	9,93,077
TOTAL	9,93,077	14,69,453

NOTE 12
CASH AND BANK BALANCES

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Cash and Cash Equivalents		
In Fixed Deposit Accounts	19,48,078	18,51,065
Bank Balance	73,840	-
Cash on hand	4,869	6,554
TOTAL	20,26,787	18,57,619



NOTE 13
SHORT TERM LOANS AND ADVANCES
(Unsecured, Considered Good)

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Balances with Government Authorities		
Advance income tax	52,554	52,554
Advance TDS deposited	23,481	30,981
TDS Receivable	77,038	60,915
MVAT Receivable	47,548	1,60,435
Service tax credit receivable	38,867	38,867
GST Receivable	23,398	
TOTAL	2,62,886	3,43,752

NOTE 14
REVENUE FROM OPERATIONS

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Sale of Products	6,96,288	21,83,436
TOTAL	6,96,288	21,83,436

NOTE 15
OTHER INCOME

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Interest Income	38,239	1,25,045
Write off		10,000
Profit on Sales of Investment	9,601	
FD Interest	1,05,466	
TOTAL	1,53,306	1,35,045

NOTE 16
COST OF MATERIALS CONSUMED

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Materials Consumed		
Purchases	4,88,555	16,97,967
MATERIAL CONSUMED	4,88,555	16,97,967



NOTE 17
EMPLOYEE BENEFIT EXPENSES

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
Salaries & Commission		
Commission to Directors	75,000	75,000
TOTAL	75,000	75,000

NOTE 18
OTHER EXPENSES

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
A. FINANCE EXPENSES		
Bank Charges	493	885
Interest Paid	-	3,046
	493	1,614
	In Rs.	In Rs.
B. ADMINISTRATIVE EXPENSES		
Travelling & Conveyance		43,972
Legal and Professional Charges	25,000	15,600
Payments to Auditors	6,500	7,500
Freight On Raw Material	24,607	-
Receivable written off	1,12,887	-
Professional Tax Paid	5,000	5,000
Income Tax Paid	2,763	-
GST paid	5,588	10,800
	1,82,345	82,872
C. MANUFACTURING EXPENSES		
Job work expenses		1,09,334
	-	1,09,334
TOTAL	1,82,838	1,93,820

18.01 Break-up of Payments to Auditors

PARTICULARS	As at	As at
	31.03.2021	31.03.2020
	In Rs.	In Rs.
- Audit Fees	6,500	7,500
TOTAL	6,500	7,500



NOTE 19
EARNINGS PER SHARE
PARTICULARS

PARTICULARS		As at	As at
		31.03.2021	31.03.2020
		In Rs.	In Rs.
Net Profit/(Loss) after tax		73,251	2,60,237
Less: Preference Dividend		-	-
Amount available for Equity Shareholders	(A)	73,251	2,60,237
Weighted average number of equity shares (Nos.)	(B)	3800	3800
Diluted Weighted average number of equity shares (Nos.)	(C)	3800	3800
Basic Earnings Per Share of face value of Rs.10/- each	(A) / (B)	19.28	85.29
Diluted Earnings Per Share of face value of Rs.10/- each	(A) / (C)	19.28	85.29



DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 9
FIXED ASSETS

(Rs. in lacs)

Particulars	GROSS BLOCK							NET BLOCK		
	As at 01.04.2020	addition	Deduction/ Adjustment	As at 31.03.2021	Upto 31.03.2020	For the Year	Deduction/ Adjustment	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
a) Tangible Assets										
Owned										
Plant & Equipment	3,66,943	-	-	3,66,943	3,60,488	1,168	-	3,61,656	5,287	6,455
Furniture & Fixture	6,945	-	-	6,945	6,945	-	-	6,945	-	-
Sub-total	3,73,888	-	-	3,73,888	3,67,433	1,168	-	3,68,601	5,287	6,455
b) Intangible Assets :										
Softwares	64,800	-	-	64,800	58,514	3,044	-	61,558	3,242	6,286
Sub-total	64,800	-	-	64,800	58,514	3,044	-	61,558	3,242	6,286
Total	4,38,688	-	-	4,38,688	4,25,947	4,213	-	4,30,160	8,529	12,741
Previous Year	4,38,688	-	-	4,38,688	4,22,358	3,589	-	4,25,947	12,741	-



DIFFUSION SUPER CONDITIONING SERVICES PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 20 Related Party Disclosures :

A. List of Related Parties :
 (As certified by the Company)

I. Key Management Personnel
 Mr. Prashant Garg
 Mrs. Chitra Garg

II. Holding Company
 Diffusion Engineering Ltd

III. Fellow Subsidiaries
 Nowelco Industries Ltd

B. Transactions with Related Parties :

			(In Rs.)
Nature of transaction	Fellow Subsidiaries	Holding Company	Total
TRADE RECEIVABLE As On 31.03.2021 Diffusion Engineering Ltd		4,33,776 (9,10,153)	4,33,776 (9,10,153)
EXPENSES Purchases		8,21,620 (16,97,967)	8,21,620 (16,97,967)

NOTE 20.1 Figure in brackets represent Previous Year Figures

NOTE 21 Previous Year's figures have been reworked / regrouped / rearranged / reclassified wherever necessary to make them comparable with the current year.

For and on behalf of Board of Directors

Prashant Garg
PRASHANT GARG
DIRECTOR

Chitra Garg
CHITRA GARG
DIRECTOR

Place: Nagpur
 Date : 07/09/2021

As per our Report of over date attached.

For P. N. GUPTA
 CHARTERED ACCOUNTANTS

P. N. GUPTA
 PROPRIETOR
 M. No. 44161

P. N. Gupta

