



P. N. GUPTA
CHARTERED ACCOUNTANT

OFFICE
GS-7, Priyanka Palace,
Congress Nagar,
Nagpur-440 012.
Tel. : 2453465 / 8788663582,
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RESIDENCE
Flat No. 201,
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Dhantoli, Nagpur-440 012
Tel.: 9823370209

INDEPENDENT AUDITORS' REPORT

To,
The Members of:
DIFFUSION HERNON ADHESIVE AND SEALANTS PVT LTD
NAGPUR

Report on the Financial Statements

We have audited the accompanying financial statements of **DIFFUSION HERNON ADHESIVE AND SEALANTS PVT LTD**, which comprise the Balance Sheet as at 31st March 2022 and the Statement of Profit & Loss for the year then ended, and a summary of 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.

Auditors' 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 there under.

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.

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





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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 31st March, 2022, 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 2020 ("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 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 appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred as above.
- e. On the basis of written representations received from the directors as on 31st March 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022, from being appointed as a director in terms of section 164(2) of the Act.


P N GUPTA
Chartered Accountant

Place: Nagpur

Date :-15/09/2022
UDIN:- 22044161ATNDOS7216



Proprietor
(Mem. No. 044161)



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STATEMENT REFERRED TO IN PARAGRAPH ABOVE OF MY REPORT OF EVEN DATE

1. a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
B) The Company is not having any intangible assets as on the date.
b) According to the information and explanations given to me, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in my opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
c) The title deeds of all the immovable properties held by the company are in the name of the company.
d) The Company has not revalued its property, Plant and Equipment (Including right to use) or intangible assets during the year ended 31st March 2022
e) There are no proceedings initiated or are pending against the company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2. a) As explained, the inventories have been physically verified by the management at reasonable intervals during the year. In my opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
b) The Company has not been sanctioned, any time during the year, working capital limits in excess of five crores, in aggregate, from banks or financial institutions on the basis of security of current assets.
3. The Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year and accordingly, the requirement to report on clause 3(iii) is not applicable to the Company.
4. In our opinion & according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
5. The company has not accepted any public deposits.
6. The company is not required to maintain Cost Records as per the provisions of companies Act. 2013.
7. a) According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales-Tax, Wealth Tax, Custom Duty, Excise





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Duty, Cess and GST which are outstanding as at 31.03.2022 for a period of more than six months from the date they became payable.

- 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.
8. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company
9. a) According to the information and explanations given to me the company has not defaulted in repayment of dues to a financial institution or bank.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority
- c) During the year the company has not applied for any term loan.
- d) According to the information and explanations given to me, no funds raised on long -term basis have been used for short term investment and vice a versa
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company and hence not reported upon
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures r associate companies.
10. a) The company has not raised any money by way of public issue
- b) The company has not made any preferential allotment or private placement of shares or convertible debentures during the year under audit.
11. a) According to the information and explanations given to me, no fraud on or by the Company has been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.





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Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- c) The Company is not required to make and does not have Whistle Blower Policy. Accordingly, the requirement to report on clause 3(xi)(c) is not applicable to the Company
12. The Company is not a Nidhi Company, Hence the requirement of items (xii) of paragraph 4 is not applicable to the company.
- a) 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
13. a) The company is having internal Audit system which is commensurate with the size of Company and the nature of its business
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
14. 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.
15. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on clause 3(xvi) is not applicable to the Company.
16. The Company has not incurred cash losses in the current year , the brought forward cash loss for preceding year is Rs. 11,71,571 (net of non-cash items) .
17. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
18. On the basis of the financial ratios disclosed in No 26(xvii), to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet





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date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due

19. a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
20. According to the information and explanations given to me, there not have been any qualifications or adverse remarks from the respective auditors during the year.

pn Gupta
P N GUPTA
Chartered Accountant

Place: Nagpur

Date: 15/09/2022
UDIN: - 22044161ATNDOS7216

Proprietor
(Mem. No.044161)



DIFFUSION HERNON ADHESIVE & SEALANT PVT. LTD.
BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	As at 31.03.2022		As at 31.03.2021
		In Rs.		In Rs.
I. EQUITY AND LIABILITIES				
1) Shareholder's Funds				
a) Share Capital	2	10.00		10.00
b) Reserve & Surplus	3	9.61		6.34
c) Money Received against Share Warrants		-	19.61	-
				16.34
2) Share Application Money Pending Allotment				
3) Non Current Liabilities				
a) Long Term Borrowings		-		-
b) Deferred Tax Liabilities (Net)	4	0.29		0.29
c) Other Long Term Liabilities		-		-
d) Long Term Provisions		-	0.29	-
				0.29
4) Current Liabilities				
a) Short Term Borrowings		-		-
b) Trade Payables	5	24.85		26.14
c) Other Current Liabilities	6	2.10		2.60
d) Short Term Provisions	7	0.22	27.17	0.08
				28.82
Total			47.07	45.45
II. ASSETS				
1) Non Current Assets				
(1) a) Property, Plant and Equipment and Intangible Assets				
i) Property Plant and Equipment	8	1.67		1.86
ii) Intangible Assets		-		-
iii) Capital Work in Progress		-		-
iv) Intangible Assets under Development		-	1.67	-
				1.86
b) Non Current Investments		-		-
c) Deferred Tax Assets (Net)		-		-
d) Long Term Loans & Advances		-		-
e) Other Non Current Assets		-		-
2) Current Assets				
a) Current Investments		-		-
b) Inventories	9	32.48		30.60
c) Trade Receivables	10	4.26		2.67
d) Cash and Cash Equivalents	11	4.58		5.28
e) Short Term Loans and Advances	12	3.25		3.78
f) Other Current Assets	13	0.83	45.40	1.25
				43.58
Total			47.07	45.44
Significant Accounting Policies	1		(0)	(0)
Other Notes on Accounts	20			

For and on behalf of Board of Directors

PRASHANT GARG DIN-00049106
DIRECTOR
Place: Nagpur
Date: 15/09/2022

NEELU P. GARG
DIRECTOR
DIN-08337637

As per our Report of even date attached.

For P. N. GUPTA
CHARTERED ACCOUNTANTS
P. N. Gupta
P. N. GUPTA
PROPRIETOR
M. No. 44161



DIFFUSION HERNON ADHESIVE & SEALANT PVT. LTD.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Note No.	Year ended 31.03.2022 In Rs.	Year ended 31.03.2021 In Rs.
1 Revenue from Operations	15		
2 Other Income	16	19.01	27.79
3 Total Income (1+2)		0.10	0.05
4 Expenses		19.11	27.84
Cost of Material Consumed	17	12.14	22.06
Purchase of Stock in Trade		-	-
Changes in Inventories of Finished Goods , Work in Progress and Stock in Trade		-	-
Employee Benefits Expense		-	-
Finance Costs		-	-
Depreciation and Amortization Ex	9	0.19	0.19
Other Expenses	18	2.34	2.41
Total Expenses		14.67	24.66
5 Profit before tax (III- IV)		4.44	3.17
6 Tax expense:			
(1) Current tax		1.16	0.81
(2) Deferred tax		0.003	0.01
		1.16	0.83
7 Profit/(Loss) for the year (5 - 6)		3.28	2.35
8 Earnings Per Share (Rs.)			
a) Basic	19	3.28	2.35
b) Diluted		3.28	2.35
Significant Accounting Policies	1		
Other Notes On Accounts	20		

For and on behalf of Board of Directors

As per our Report of even date attached.

PRASHANT GARG
DIRECTOR
DIN-00049106
Place: Nagpur
Place: Nagpur
Date - 15/09/2022

NEELU P. GARG
DIRECTOR
DIN-08337637

For P. N. GUPTA
CHARTERED ACCOUNTANT

P. N. Gupta

P. N. GUPTA
PROPRIETOR
M. No. 44161



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

(i) 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).

(ii) 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.

(iii) 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 Service 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.

(iv) 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 Straight Line Method over the Life specified in the Schedule II to the Companies Act, 2013.

(v) Inventories

Raw materials, Consumables, Stores and Spare parts are valued at lower of cost and net realizable value. The cost is computed on FIFO basis.



DIFFUSION HERNON ADHESIVE & SEALANT PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 2
SHARE CAPITAL
PARTICULARS

	As at 31.03.2022	As at 31.03.2021
The number and amount of shares authorised		
5,00,000 (5,00,000) Equity Shares of Rs. 10/- each.	50	50
	50	50
The number of shares issued, subscribed and fully paid		
1,00,000 (10,000) Equity Shares of Rs. 10/- each, fully paid up	10	10
TOTAL	10	10

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

PARTICULARS	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	Amount In Rs.	No. of Shares	Amount In Rs.
Shares outstanding at the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Add: Equity Shares issued during the year on	-	-	-	-
Shares outstanding at the end of the year	1,00,000	10,00,000	1,00,000	10,00,000

2.02 Details of Shareholders holding more than 5% shares

Name of Shareholder	As at 31.03.2022		As at 31.03.2021	
	No of Shares held	Percentage to Capital	No of Shares held	Percentage to Capital
i Diffusion Engineers Ltd	95000	95.00%		

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 is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Shares held by promoters at the end of the year 31st March 2022

Sr. No.	Promoter Name	No. of Shares**	% of total shares**	% Change during the year***
1	PRASHANT GARG			
2	NEELU PRASHANT GARG			
3	NITIN GARG			
	Total			

Shares held by promoters at the end of the year 31st March 2021

Sr. No.	Promoter Name	No. of Shares**	% of total shares**	% Change during the year***
1	PRASHANT GARG			
2	NEELU PRASHANT GARG			
	Total			



NOTE 3

RESERVES AND SURPLUS

PARTICULARS

	As at 31.03.2022	As at 31.03.2021
Balance as per last Balance Sheet	6.34	3.99
Add: Profit/ (Loss) for the year	3	2
Add: transfer to general reserve	-	-
	<u>10</u>	<u>6</u>
TOTAL	<u>10</u>	<u>6</u>

NOTE 4

DEFERRED TAX LIABILITIES/ ASSETS (NET)

PARTICULARS

	As at 31.03.2022 In Rs.	As at 31.03.2021 In Rs.
A. Deferred Tax Liabilities		
Related to Fixed Assets	0.29	0.29
	<u>0.29</u>	<u>0.29</u>
Net Deferred Tax Liability	<u>0.29</u>	<u>0.29</u>

NOTE 5

TRADE PAYABLES

PARTICULARS

	As at 31.03.2022 In Rs.	As at 31.03.2021 In Rs.
Trade Payables - Micro and Small Enterprises	0.10	0.10
- Others than Micro and Small	24.75	26.04
TOTAL	<u>24.85</u>	<u>26.14</u>

Trade Payables ageing schedule: As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	0.10	0.10
(ii) Others	21.03	3.72	-	-	24.75
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

NOTE 6

OTHER CURRENT LIABILITIES

PARTICULARS

	As at 31.03.2022 In Rs.	As at 31.03.2021 In Rs.
Other Payables		
Advance from customers		
Trade / security deposits received	2.07	2.57
Statutory Liabilities		
Others*	0.03	0.03
TOTAL	<u>2.10</u>	<u>2.60</u>

* Mainly includes Provision for Expenses



NOTE 7
SHORT TERM PROVISIONS
PARTICULARS

	As at 31.03.2022 In Rs.	As at 31.03.2021 In Rs.
OTHERS		
Provision for Income Tax	0.06	-
Audit Fees Payable	0.16	0.08
TOTAL	<u><u>0.22</u></u>	<u><u>0.08</u></u>

NOTE 9
INVENTORIES
PARTICULARS

	As at 31.03.2022 In Rs.	As at 31.03.2021 In Rs.
Raw Materials / Finished Goods	32.48	0.00
TOTAL	<u><u>32.48</u></u>	<u><u>0.00</u></u>

NOTE 10
TRADE RECEIVABLES
(Unsecured, considered good and subject to confirmation)
PARTICULARS

	As at 31.03.2022 In Rs.	As at 31.03.2021 In Rs.
Other Receivables - considered good	4.26	2.67
TOTAL	<u><u>4.26</u></u>	<u><u>2.67</u></u>

Trade Receivables ageing schedule: As at 31st March,2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.58	2.68	-	-	4.26
(ii) Others	-	-	-	-	-
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

NOTE 11
CASH AND BANK BALANCES
PARTICULARS

	As at 31.03.2022 In Rs.	As at 31.03.2021 In Rs.
Cash and Cash Equivalents		
Balances with Banks:		
In Current Accounts	3.58	4.28
Cash on hand	1.00	1.00
	<u>4.58</u>	<u>5.28</u>
TOTAL	<u><u>4.58</u></u>	<u><u>5.28</u></u>



NOTE 12

SHORT TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

PARTICULARS

	As at 31.03.2022	As at 31.03.2021
	In Rs.	In Rs.
Loans and Advances to Others		
Deposit with sales tax department	0.25	0.25
Balance with other statutory department	-	-
Advance Tax	1.92	1.92
Gst Recivable	0.70	1.23
TDS Recivable	-	-
Deposits - Rent	0.38	0.38
TOTAL	<u><u>3.25</u></u>	<u><u>3.78</u></u>

NOTE 13

OTHER CURRENT ASSETS

PARTICULARS

	As at 31.03.2022	As at 31.03.2021
	In Rs.	In Rs.
Preliminary Expenses	0.83	1.25
TDS Receivable	-	-
TOTAL	<u><u>0.83</u></u>	<u><u>1.25</u></u>

NOTE 14

REVENUE FROM OPERATIONS

PARTICULARS

	As at 31.03.2022	As at 31.03.2021
	In Rs.	In Rs.
Sale of Products	19.80	27.79
Less : Sales Return	0.79	-
	<u>19.01</u>	<u>27.79</u>
TOTAL	<u><u>19.01</u></u>	<u><u>27.79</u></u>

NOTE 15

OTHER INCOME

PARTICULARS

	As at 31.03.2022	As at 31.03.2021
	In Rs.	In Rs.
Freight charges	0.10	0.05
Interest Income	-	-
	<u>0.10</u>	<u>0.05</u>
TOTAL	<u><u>0.10</u></u>	<u><u>0.05</u></u>



NOTE 16

COST OF MATERIALS CONSUMED

PARTICULARS	As at	As at
	31.03.2022	31.03.2021
	In Rs.	In Rs.
Materials Consumed		
Opening Stock of Raw Materials & Consumables	30.61	30.05
Add : Purchases	14.01	22.62
	<u>44.62</u>	<u>52.66</u>
Less : Closing Stock of Raw Materials & Consumables	32.48	30.61
MATERIAL CONSUMED	<u><u>12.14</u></u>	<u><u>22.06</u></u>

NOTE 17

OTHER EXPENSES

PARTICULARS	As at	As at
	31.03.2022	31.03.2021
	In Rs.	In Rs.
A. ADMINISTRATIVE EXPENSES		
Rent Paid	1.66	1.62
Legal and Professional Charges	0.13	0.27
Professional Tax	0.03	0.03
Audit Fees	0.08	0.07
Income Tax paid	-	0.01
Filing fees	0.03	-
Preliminary Expenses W/off	0.42	0.42
Write Off	0.00	0.00
	<u>2.33</u>	<u>2.41</u>
B. OTHER EXPENSES		
Bank Charges	0.01	0.00
	<u>0.01</u>	<u>0.00</u>
TOTAL	<u><u>2.34</u></u>	<u><u>2.41</u></u>

17.01 Break-up of Payments to Auditors

PARTICULARS	As at	As at
	31.03.2022	31.03.2021
	In Rs.	In Rs.
- Audit Fees	0.08	0.08
TOTAL	<u>0.08</u>	<u>0.08</u>

NOTE 18

EARNINGS PER SHARE

PARTICULARS	As at	As at
	31.03.2022	31.03.2021
	In Rs.	In Rs.
Net Profit/(Loss) after tax	3.28	2.35
Less : Preference Dividend	-	-
Amount available for Equity Shareholders	(A) <u>3.28</u>	<u>2.35</u>
Weighted average number of equity shares (Nos.)	(B) <u>1.00</u>	<u>1.00</u>
Diluted Weighted average number of equity shares (Nos.)	(C) <u>1.00</u>	<u>1.00</u>
Basic Earnings Per Share of face value of Rs. 10/- each	(A) / (B) <u>3.28</u>	<u>2.35</u>
Diluted Earnings Per Share of face value of Rs. 10/- each	(A) / (C) <u>3.28</u>	<u>2.35</u>



DIFFUSION HERNON ADHESIVED & SEALANTS PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 8
FIXED ASSETS

Particulars	(Rs.in lacs)									
	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 01.04.2021	Additions	Deduction/ Adjustment	As at 31.03.2022	Upto 31.03.2021	For the Year	Deduction/ Adjustment	Upto 31.03.2022	As at 31.03.2022	As at 31.03.21
a) Tangible Assets										
Owned										
Plant & Equipment	3.05	-	-	3.05	1.18	0.19	-	1.37	1.67	1.86
Furniture & Fixture	-	-	-	-	-	-	-	-	-	-
Sub-total	3.05	-	-	3.05	1.18	0.19	-	1.37	1.67	1.86
b) Intangible Assets :										
Softwares	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-
Total	3.05	-	-	3.05	1.18	0.19		1.37	1.67	1.86
Previous Year	3.05			3.05	0.99	0.19		1.18	1.86	-



DIFFUSION HERNON ADHESIVED & SEALANTS PVT. LTD.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE 20 Related Party Disclosures :

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

I. Holding Company
 Diffusion Engineering Ltd

B. Transactions with Related Parties :

(In Rs.)

Nature of transaction	Holding Company	Total
Trade Payable as on 31.03.2022 Diffusion Engineering Ltd	24.75 (26.04)	24.75 (26.04)
Rent Deposit as on 31.03.2022 Diffusion Engineering Ltd	0.38 (0.38)	0.38 (0.38)
Purchase Diffusion Engineering Ltd	16.53 (26.68)	16.53 (26.68)
Expenditure		
Diffusion Engineering Ltd		
Professional Tax	0.03	
Tours & Travels	0.09	
Advance Tax	1.10	
Rent Paid	1.96	
	3.17 (1.91)	3.17 (1.91)

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

As per our Report of even date attached.

PRASHANT GARG
 DIRECTOR
 Place: Nagpur
 Date: 15/09/2022

NEELU P. GARG
 DIRECTOR
 DIN-08337637



For P. N. GUPTA
 CHARTERED ACCOUNTANTS

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

DIN-00049106

DIFFUSION HERNON ADHESIVE AND SEALANTS PVT LTD

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2022

PARTICULARS	AS At March 31, 2022		AS At March 31, 2021	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax		4.44		3.17
Adjustments for :				
Bad Debts Written off		-		-
Write Back		0.19		0.19
Depreciation		-		-
Dividend on Investments		-		-
Interest and Finance Charges		-		-
Interest Income		-		-
Loss / (Surplus) on Sale of Fixed Assets / Investments (Net)		-		-
Inter Company Stock Reserve		-		-
CSR		-		-
Operating Profit before Working Capital changes		4.63		3.37
Adjustment for :				
Inventories		(1.88)		(0.56)
Trade Receivables		(1.59)		4.16
Current Liabilities		(0.50)		(0.50)
Short Term Loans & Advances		0.53		(1.88)
Short Term Provisions		0.14		(1.25)
Other Current Assets		0.42		0.42
Trade Payables		(1.29)		2.52
		-		-
Cash generated from Operations		0.46		6.28
Direct Taxes Paid		(1.16)		(0.81)
		(0.70)		5.46
Net Cash Flow from Operating Activities (A)				
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Inflow / (Outflow) on account of :				
Dividend on Investments		-		-
Profit/(loss) on sale of Investments		-		-
Interest Income		-		-
(Purchases) / Sales of Fixed Assets (Net)		-		-
(Purchases) Capital W.I.P		-		-
(Purchases) / Sales of Investments (Net)		-		-
Net Cash Flow from Investing Activities (B)				(1.34)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds / (Repayment) from/of Secured Loans		-		-
Interest and Finance Charges		-		-
Dividend paid (including tax on dividend)		-		(1.34)
Net Cash Flow from Financing Activities (C)				
D. FOREIGN EXCHANGE TRANSLATION RESERVE				
Net Increase / (Decrease) in Cash and Cash Equivalents [A+B+C+D]		(0.70)		4.12
Cash and Cash Equivalents as at the beginning of the year	5.28		1.15	
Cash and Cash Equivalents as at the end of the year	4.58		5.28	
		(0.69)		(4.12)

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: 15/09/2022



For and on behalf of the Board of Directors of
DIFFUSION HERNON ADHESIVE AND SEALANTS PVT LTD

PRASHANT GARG
 Director
 DIN-00049106
 Place : Nagpur
 Date: 15/09/2022

NEELU P. GARG
 Director
 DIN-08337637



P. N. GUPTA
CHARTERED ACCOUNTANT

OFFICE
GS-7, Priyanka Palace,
Congress Nagar,
Nagpur-440 012
Tel. 2453465 / 8788663582,
capngupta@gmail.com

RESIDENCE
Flat No. 201,
Bhupendra Palace,
Dhantoli, Nagpur-440 012
Tel. 9823370209

DIFFUSION HERNON ADHESIVE AND SEALANTS PVT LTD

NOTES OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS FORMING PART OF STATEMENTS OF ACCOUNTS AS ON 31.03.2022

A. SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF ACCOUNTING:

The Company follows the mercantile system of accounting. The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles.

Significant items of Income & Expenditure are accounted for on accrual basis unless otherwise specifically stated.

Some other revenue expenses, the benefit from which is to accrue over an enduring length of time, are treated as Deferred Revenue Expenditure and appropriate portion thereof has been charged to Profit & Loss Account.

2. REVENUE RECOGNITION:

Revenue from the sale of goods are recognized upon passage of title to the customers which generally coincides with their delivery.

3. FIXED ASSETS & DEPRECIATION:

Fixed Assets are stated at cost net of CENVAT / Value Added Tax, rebates, less accumulated depreciation except Land & Site Development which is stated at cost.

Depreciation is provided on Written Down Value Method under Schedule II of Companies Act, 2013.

4. INVENTORIES:

Inventories are valued as follows: -

a) Finished Goods	-	At Cost
b) Raw Material & Packing Material	-	At Cost

5. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is not made by the company during the year. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable / virtual certainty that the asset will be realized in future.

6. MISCELLANEOUS EXPENDITURE:

All Expenditure, the benefit of which is spread over a number of years, are grouped here and are not amortized over a period due to the loss incurred during the year.

7. CONTINGENT LIABILITIES:

Contingent Liabilities are generally not provided for in the books of account. It was informed that the company does not foresee any contingent liability.

8. GRANTS/SUBSIDIES:





P. N. GUPTA
CHARTERED ACCOUNTANT

OFFICE
GS-7, Priyanka Palace,
Congress Nagar,
Nagpur-440 012
Tel - 2453465 / 8788663582,
capngupta@gmail.com

RESIDENCE
Flat No. 201,
Bhupendra Palace,
Dhantoli, Nagpur 440 012
Tel 9823370209

Capital Investment subsidy received under the Central/State Investment incentive scheme is credited to Capital Investment Subsidy A/c under Reserve and Surplus and treated as part of shareholders funds.

B. NOTES ON ACCOUNTS:

9. There is no unsecured loan during the current financial Year.
10. Cash in hand as on 31.03.2022 could not be physically verified hence I have relied on the certificate from the management of the Company in this matter.
11. As per information and explanation given to me, there are no prior period items and change in accounting policies which affects the Balance Sheet and Profit & Loss Account materially.
12. On the basis of information available, the company does not owe sum exceeding Rs. 1.00 Lacs or interest as on 31st March 2022 for more than 30 days to any Small-Scale Industrial Undertaking. Since, the status of the suppliers cannot be exactly ascertained reporting in this regard is made on oral information received.
13. In the opinion of the board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and provision for all known liabilities is made in the accounts.
14. As explained to me, no provision for gratuity is made in the accounts as none of the employees have completed the qualifying period of service.
15. Balances of all the Sundry Debtors, Sundry Creditors are subject to Confirmation.
16. The closing stock has been valued as taken and certified by the management.
The valuation of finished goods is made at cost
17. Managerial Remuneration was paid during the year.
18. a) Previous year figures have been regrouped / rearranged wherever considered necessary.
b) Figures in brackets, as shown above, indicate previous year figures.

Signature to Notes '1' to '18'

As per my Report of even date attached


P N GUPTA
Chartered Accountant

Place: Nagpur

Date :15/09/2022
UDIN:- 22044161ATNDOS7216

Proprietor
(Mem. No. 044161)



NOTICE IS HEREBY GIVEN THAT THE 10TH ANNUAL GENERAL MEETING OF DIFFUSION HERNON ADHESIVE AND SEALANT PRIVATE LIMITED (CIN - U24297MH2012PTC234063) WILL BE HELD AT SHORTER NOTICE ON FRIDAY ON 30TH SEPTEMBER, 2022 AT THE REGISTERED OFFICE OF THE COMPANY AT T-5 & 6, MIDC, HINGANANAGPUR - 440 038 AT 03.00 P.M TO TRANSACT THE FOLLOWING BUSINESS:-

To transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2022 and Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.

By order of the Board,
Diffusion HERNON Adhesive and Sealant Private Limited

PRASHA
NT GARG

Digitally signed by PRASHANT GARG
DN: c=IN, o=Personal,
2.5.4.20=f88e9c1d3c3b79e8d25d3dd8f
c86622bdd09e9d0588eac3378b431f98
4c6117c, postalCode=440025,
st=Maharashtra,
serialNumber=a28d3f890ea26a6fab2f9
1066e9ae9b3c8aeaf3fc8906d8cc2287c
5a35dd9b7, cn=PRASHANT GARG
Date: 2022.09.15 16:07:42 +05'30'

Prashant Garg
Director
DIN - 00049106

Date: -15th September, 2022.
Place: Nagpur.

Notes:-

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and a proxy need not be a member of the Company.

DIFFUSION HERNON ADHESIVE & SEALANT PVT. LTD.

Regd. Office: T-5 & 6, M.I.D.C., Hingna Industrial Area, Nagpur 440 016, Maharashtra, INDIA.
[t] +91-7104-232084, 234727 [f] +91-7104-232085

Works : T-12, M.I.D.C., Hingna Industrial Area, Nagpur 440016, Maharashtra, INDIA., [t/f] +91-7104-232984
[e] hernon@diffusionengineers.com, [w] www.diffusionengineers.com

CIN No. : U24297MH2012PTC234063

DIRECTORS REPORT

Dear Members,

Your Directors are pleased to present the 10th Annual Report together with the audited financial statement for the financial year ended 31st March, 2022.

1. **Financial Highlights**

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

Particulars	(In Lakhs)	
	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Turnover	19.01	27.79
Profit/(Loss) before taxation	4.44	3.17
Less: Tax Expense	1.23	0.82
Profit/(Loss) after tax	3.24	2.35
Add: Balance B/F from the previous year	6.34	3.99
Balance Profit / (Loss) C/F to the next year	9.58	6.34

2. **REVIEW OF BUSINESS OPERATIONS**

The Financial Year 2021 – 2022 of the company has ended with the profit of Rs.3.24 Lakhs as against profit of Rs.2.35 Lakhs in the financial year 2020 – 2021.

3. **DIVIDEND**

Your director's has not recommended any dividend on equity shares for the year under review.

4. **AMOUNTS TRANSFERRED TO RESERVES**

The Board of the Company does not wish to transfer any amount to general reserves.

5. **NUMBER OF BOARD MEETINGS & ATTENDANCE**

Four (4) meetings were held during the Financial Year 2021 – 2022, dates and attendance details:-

Sr. No.	Date of meeting	Total No. of Directors on the Date of Meeting	No. of Directors attended	% of Attendance
1	05.07.2021	2	2	100
2	07.09.2021	2	2	100
3	17.12.2020	3	3	100
4	30.03.2022	3	3	100

6. **CORPORATE GOVERNANCE**

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

7. **WEB LINK OF ANNUAL RETURN, IF ANY.**

The Company does not have any website.

8. **HOLDING / SUBSIDIARY COMPANY**

The Company is a subsidiary company of Diffusion Engineers Limited (CIN-U99999MH2000PLC124154)

9. **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

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

10. RELATED PARTY TRANSACTION

All related party transactions entered into during FY 2021 – 2022 were on an arm's length basis and in the ordinary course of business.

11. AUDITORS

At the AGM held on 14th September 2019, M/s. P. N. Gupta, Chartered Accountants (Membership No. 44161) were appointed as Statutory Auditors of the Company for a period of five consecutive years. As per the provisions of Section 139 of the Act, they have confirmed that they are not disqualified from continuing as Auditors of the Company.

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

Company has formed the committee in compliance with the guidelines, there are no cases reported during the year under review.

13. 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, 2022, 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, 2022 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.

14. 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 Herson Adhesive & Sealants Private Limited**

**Place : Nagpur
Date : 15/09/2022**

**Prashant Garg
(DIN – 00049106)
(Director)
3, Pawanbhoomi,
Somalwada, Wardha
Road, Nagpur – 440 025**