

DIFFUSION ENGINEERS LTD
Unaudited Standalone Statement of Profit & Loss for the period ended September 30, 2024

(All amounts in rupees Million, unless otherwise stated)

Particulars	Half year ended	Quarter ended		Year ended
	30th September 2024 (Unaudited)	30th September 2024 (Unaudited)	30 June 2024 (Unaudited)	31 March 2024 (Audited)
Revenue				
Revenue from operations	1,415.76	743.15	672.61	2,571.26
Other income	41.53	14.30	27.23	71.94
Total revenue	1,457.29	757.45	699.84	2,643.19
Expenses				
Cost of materials consumed	812.67	362.62	450.05	1,264.98
Purchases of stock-in-trade	69.74	27.57	42.17	185.55
Changes in inventories of finished goods and work-in-progress	(96.46)	16.30	(112.76)	(8.01)
Manufacturing expenses	174.72	90.56	84.16	333.40
Employee benefit expenses	187.85	92.68	95.16	345.51
Finance costs	12.72	6.65	6.07	16.94
Depreciation and amortization expenses	22.84	9.99	12.85	38.55
Other expenses	79.11	44.64	34.47	147.11
Total expenses	1,263.19	651.02	612.18	2,324.05
Profit/(loss) before Exceptional Items and Tax	194.10	106.43	87.66	319.14
Exceptional Items	1.49	1.31	0.18	2.57
Profit/ (loss) before Tax	192.60	105.12	87.48	316.58
Tax expenses				
- Current tax	40.76	22.39	18.37	67.66
(Excess)/short provision of tax relating of previous years	(1.81)	(1.81)		
- Deferred tax	1.88	(2.61)	4.50	14.97
Total tax expenses	40.83	17.97	22.87	82.63
Net profit for the period	151.77	87.15	64.62	233.95
Other comprehensive income				
(i) Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the defined benefit plans	(4.05)	(2.02)	(2.02)	(1.99)
Income tax effect on above	0.92	0.46	0.46	0.45
(ii) Items that will be reclassified to profit or loss in subsequent periods				
Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income				
Income tax effect on above				
Other comprehensive income for the period, net of tax	(3.12)	(1.56)	(1.56)	(1.54)
Total comprehensive income / (loss) for the period	148.65	85.59	63.06	232.42
Earnings per equity share				
Earnings per equity share [nominal value of share Rs. 10/-]				
Basic (In Rs)	5.42	3.11	2.31	8.35
Diluted (In Rs)	5.42	3.11	2.31	8.35
The accompanying notes form an integral part of the standalone financial statements				



DIFFUSION ENGINEERS LTD
Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2024

Particulars	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
ASSETS		
(1) Non-Current Assets		
(a) Property, plant and equipment	914.90	877.93
(b) Capital work-in-progress	10.43	11.05
(c) Intangible assets	4.36	4.25
(d) Financial assets		
(i) Investments	314.98	295.38
(ii) Other financial assets	62.75	61.85
Total non-current assets	1,307.43	1,250.48
(2) Current Assets		
(a) Inventories	664.60	474.02
(b) Financial Assets		
(i) Trade receivables	674.30	646.80
(ii) a) Cash and cash equivalents	20.66	25.53
b) Share Application Money	750.07	
(iii) Other bank balances	-	-
(iv) Loans and advances	119.85	154.43
(v) Others financial assets	9.64	10.25
(c) Other current assets	27.60	35.45
Total current assets	2,266.71	1,346.48
Total Assets	3,574.14	2,596.95
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	280.21	280.21
(b) Other equity	1,644.62	1,502.97
Total equity	1,924.83	1,783.19
Share Application money	750.07	-
Total share application money	750.07	-
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Other financial liabilities	4.81	4.72
(b) Deferred tax liabilities (net)	55.22	53.34
Total non-current liabilities	60.03	58.06
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	479.52	337.08
(ii) Trade payables		
Total outstanding dues of micro, small and medium enterprises	53.88	109.76
Total outstanding dues of creditors other than micro enterprises, small and medium enterprises	156.42	199.08
(iii) Other financial liabilities	77.30	18.64
(b) Provisions	3.05	3.61
(c) Other current liabilities	53.73	81.65
(d) Current tax liabilities (net)	15.32	5.89
Total current liabilities	839.21	755.70
Total Equity and liabilities	3,574.14	2,596.95

The accompanying notes form an integral part of the standalone financial statements



DIFFUSION ENGINEERS LTD
Unaudited Standalone Cash Flow Statement for the Period ended September 30, 2024
(All amounts in rupees Million, unless otherwise stated)
(All amounts in rupees Million, unless otherwise stated)

Particulars	For period ended 30th September 2024 (Unaudited)	For the year ended 31 March 2024 (Audited)
A Cash flows from operating activities		
Profit /(loss) before tax	192.60	316.58
Adjustments:		
Depreciation and amortisation	22.84	38.55
Bad Debts & Write Off	1.77	8.42
Gain / (loss) on remeasurements of the defined employee benefit plans	(3.12)	(1.54)
Net (gain)/loss on financial instruments at fair value through profit or loss	0.09	(29.34)
Write Back	-	-
Interest and Finance Charges	12.72	16.94
Interest Income	(1.79)	(4.00)
Loss / (Surplus) on Sale of Fixed Assets / Investments (Net)	(36.23)	(20.41)
Exceptional Item	1.49	2.57
(Excess)/short provision of tax relating of previous years	1.81	
Operating cash flows before working capital changes and other assets	192.17	327.77
(Increase) / decrease in inventories	(190.58)	(1.53)
Decrease/ (increase) in Trade and Other Receivables	5.01	(13.25)
(Decrease) / increase in other current assets	7.85	5.21
(Decrease) / increase in Trade and Other Payables	(39.79)	70.45
(Decrease) / increase in other current liabilities	(27.93)	(9.41)
(Decrease) / increase in other current provisions	(0.55)	2.05
Cash generated from operations	(53.81)	381.31
Income taxes refund / (paid), net	(31.33)	(65.62)
Net Cash Flow From/(Used In) Operating Activities (A)	(85.14)	315.68
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(59.81)	(310.76)
Purchase of intangible assets	(0.11)	(1.70)
Purchase of CWIP	0.62	7.22
Non Current investment	(19.68)	(53.70)
Interest Income	1.79	4.00
Profit/(loss) on sale of Investments	36.23	20.41
Net Cash Flow From/(Used In) Investing Activities (B)	(40.95)	(334.54)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	(16.69)
Proceeds from short-term borrowings(Net)	142.44	(122.21)
Finance Cost paid	(12.72)	(16.94)
Dividend Paid	(7.01)	(18.22)
Proceeds from Issue		202.37
Share Application money	750.07	
Issue Expenses	(1.49)	(2.57)
Net Cash Flow From/(Used In) Financing Activities (C)	871.29	25.74
Net increase / decrease in cash and cash equivalents	745.20	6.88
Cash and cash equivalents at the beginning of the period	25.53	18.65
Cash & Cash Equivalents at the End of the Period(A+B+C)	770.73	25.53



Notes to unaudited standalone financial results for quarter ended September 30th 2024

1. The equity shares of the Company have been listed on National Stock Exchange of India Limited ("NSE") and on BSE Limited ("BSE") on October 4, 2024 by completing Initial Public Offer ("the IPO") of 93,55,000 equity shares of face value of Rs. 10/-each at an issue price of Rs. 168/-per equity share (including share premium of Rs. 158/-per equity share) aggregating to Rs. 1,571.64 million and 50,000 equity shares to employees of face value of Rs. 10 each and an issue price of Rs. 160/- per equity shares (including share premium of Rs. 150/- per equity share) aggregating to Rs. 8 million. Total amount aggregating to Rs. 1,579.64 million. Rs. 750.07 million was received from Anchor investors on 25th September 2024 and subsequently allotment was done on 1st October 2024.

Accordingly the above statement of standalone unaudited financial results for the quarter and six month ended 30th September, 2024 are drawn up for the first time in accordance with the requirement of Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended, accordingly the figures for the quarter and six months ended 30th September, 2023 have not been reported.

2. These unaudited financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act.2013 and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The above standalone unaudited financial results for the quarter ended 30th September 2024 and for the half year ended 30th September 2024 in respect of Diffusion Engineers Limited have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 12th November 2024. The Statutory auditors have expressed unmodified opinion on financial results for the quarter ended 30th September 2024 and for the half year ended 30th September 2024. Based on past trends, the company tends to perform better in the second half of the year than in the first.



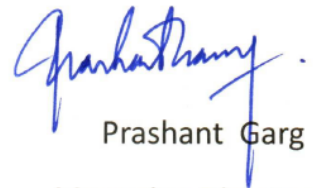
4. The figures for the quarter ended 30 September, 2024 are the balancing figures between the unaudited standalone figures upto the half year ended 30 September 2024 and unaudited, reviewed published standalone figures of quarter ended 30 June, 2024.

March 31, 2024 extracted from the audited Financials Statement of that period.

5. As a result of the Management review mechanism, the Company has one segment "Welding Fabrication Technology and Engineering" which includes Manufacturing, Trading and Job Work.
6. The exceptional item of Rs. 1.49 million relates to expenses incurred for the issue expenses, allocated towards working capital requirements which is part of the objects of the issue.
7. The figures of previous periods / year are reclassified, regrouped and rearranged wherever necessary so as to make them comparable with current period's figures

For and on behalf of the Board of Directors

Diffusion Engineers Limited



Prashant Garg

Managing Director

Place – Nagpur

Date – 12Th November 2024

DIN - 00049106



PGS & Associates

Chartered Accountants

103, Vatsalya Building, 3rd Lane, Hindu Colony, L N Road, Dadar (East), Mumbai- 400014

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors,
Diffusion Engineers Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Diffusion Engineers Limited ("the Company"), for the quarter ended 30th September, 2024 and year to date results for the period 1st April 2024 to 30th September, 2024 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



PGS & Associates

Chartered Accountants

5. The figures for the quarter ended 30 September, 2024 are the balancing figures between the unaudited standalone figures upto the half year ended 30 September 2024 and unaudited, reviewed published standalone figures of quarter ended 30 June, 2024. The figures for the year ended March 31, 2024 extracted from the audited Financials Statement of that period. Our conclusion in respect of matter stated above is not modified.

6. Other Matters

The Standalone unaudited financial results include the one foreign branch which has not been reviewed by their auditor, whose interim financial results reflect total revenues of Rs. 0.00 million, total net loss after tax of Rs. 1.19 million and total comprehensive loss of Rs. 0.00 million for the quarter ended 30th September, 2024 and total revenues of Rs. 0.00 million, total net loss after tax of Rs. 2.10 million and total comprehensive loss of Rs. 0.00 million for the year to date results for the period 1st April 2024 to 30th September, 2024 as considered in the Statement. According to the information and explanations given to us by the Management.

The aforesaid branch located outside India whose financial result and other financial information have been prepared in accordance with accounting principles generally accepted in respective countries. Company's management has converted the financial results of the branch located outside India for accounting principles generally accepted in their respective countries to accounting generally accepted in India. We have reviewed these changes made by the Company's management. Our conclusion is so far as it relates to the balances and affairs of such branch located outside India is based on the report of management certified accounts and conversion adjustments prepared by the management of the Company and reviewed by us.

Our opinion on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the financial information certified by the Board of Directors.

For PGS & Associates

Chartered Accountants

Firm Registration Number: 122384W

Premal Gandhi



Premal Gandhi

Partner

Membership Number: 111592

Place: Mumbai

Date: 12th November, 2024.

UDIN: 24111592BKBTUJ1080

DIFFUSION ENGINEERS LTD
Unaudited Consolidated Statement of Profit & Loss for the period ended September 30, 2024

(All amounts in rupees Million, unless otherwise stated)

Particulars	Half year ended	Quarter ended		Year ended
	30 September 2024 (Unaudited)	30 September 2024 (Unaudited)	30 June 2024 (Unaudited)	31 March 2024 (Audited)
Revenue				
Revenue from operations	1,535.50	824.67	710.82	2,781.45
Other income	42.66	14.64	28.02	74.17
Total revenue	1,578.15	839.31	738.84	2,855.62
Expenses				
Cost of materials consumed	831.30	382.96	448.34	1,292.27
Purchases of stock-in-trade	109.35	59.86	49.49	185.55
Changes in inventories of finished goods and work-in-progress	(107.20)	5.60	(112.80)	(9.50)
Manufacturing expenses	193.09	103.71	89.38	388.18
Employee benefit expenses	195.10	95.31	99.79	360.56
Finance costs	14.10	7.90	6.20	17.55
Depreciation and amortization expenses	25.34	12.01	13.32	45.49
Other expenses	94.82	50.41	44.41	175.70
Total expenses	1,355.90	717.76	638.14	2,455.81
Profit/(loss) before Exceptional Items and Tax	222.25	121.55	100.70	399.80
Exceptional Items	1.49	1.31	0.18	2.57
Profit before Tax and share of profit / (loss) of associates and joint ventures accounted for using the equity method	220.76	120.24	100.52	397.24
Share of profit / (loss) of associates and joint ventures	(14.74)	(12.87)	(1.87)	13.60
Profit before tax	206.02	107.37	98.65	410.84
Tax expenses				
- Current tax	48.16	26.71	21.44	87.86
(Excess)/short provision of tax relating of previous years	(1.81)	(1.81)	-	-
- Deferred tax	1.87	(2.61)	4.49	14.94
Total tax expenses	48.23	22.30	25.93	102.80
Net profit for the period	157.79	85.07	72.72	308.04
Other comprehensive income				
<i>(i) Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurements of the defined benefit plans	(4.05)	(2.02)	(2.02)	(1.99)
Income tax effect on above	0.92	0.46	0.46	0.45
<i>(ii) Items that will be reclassified to profit or loss in subsequent periods</i>				
Foreign currency translation of foreign operations	3.37	3.37		(2.13)
Other comprehensive income for the period, net of tax	0.24	1.80	(1.56)	(3.67)
Total comprehensive income / (loss) for the period	158.03	86.88	71.16	304.37
Profit attributable to:				
Owners of the Parent	156.73	84.40	72.33	306.59
Non-Controlling Interest	1.06	0.68	0.39	1.45
Other Comprehensive Income attributable to:				
Owners of the Parent	0.22	1.77	(1.55)	(3.63)
Non-Controlling Interest	0.03	0.04	(0.01)	(0.04)
Total Comprehensive Income attributable to:				
Owners of the Parent	156.94	86.17	70.78	302.97
Non-Controlling Interest	1.09	0.71	0.38	1.41
Earnings per equity share				
Earnings per equity share [nominal value of share Rs. 10/-]				
Basic (in Rs)	5.59	3.01	2.58	10.94
Diluted (in Rs)	5.59	3.01	2.58	10.94



DIFFUSION ENGINEERS LTD
Unaudited Consolidated Statement of Asset and Liabilities as at September 30, 2024

(All amounts in rupees Million, unless otherwise stated)

Particulars	As at September 30, 2024 (Unaudited)	As at March 31, 2024 (Audited)
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	942.11	905.71
(b) Capital work-in-progress	10.43	11.05
(c) Intangible assets	4.36	4.25
(d) Financial assets		
(i) Investments	297.87	291.95
(ii) Other financial assets	63.00	62.09
Total non-current assets	1,317.77	1,275.05
(2) Current Assets		
(a) Inventories	724.32	532.12
(b) Financial Assets		
(i) Trade receivables	676.14	666.47
(ii) a) Cash and cash equivalents	174.53	78.13
b) Share Application Money	750.07	
(iii) Other bank balances	-	-
(iv) Loans and advances	122.26	155.45
(v) Others financial assets	18.41	11.58
(c) Other current assets	38.42	37.05
Total current assets	2,504.16	1,480.80
Total Assets	3,821.93	2,755.85
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	280.21	280.21
(b) Other equity	1,776.80	1,626.84
Equity attributable to equity holders of the Parent	2,057.01	1,907.05
(c) Non-controlling interests	4.20	3.14
Total equity	2,061.22	1,910.19
Share Application money	750.07	-
Total share application money	750.07	-
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Other financial liabilities	4.81	9.99
(b) Provisions		
(c) Deferred tax liabilities (net)	54.31	52.43
Total non-current liabilities	59.11	62.43
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	491.66	344.35
(ii) Trade payables		
Total outstanding dues of micro, small and medium enterprises	58.54	111.59
Total outstanding dues of creditors other than micro enterprises, small and medium enterprises	213.83	197.56
(iii) Other financial liabilities	90.68	22.23
(b) Provisions	35.03	9.27
(c) Other current liabilities	61.79	98.24
Total current liabilities	951.53	783.24
Total Equity and liabilities	3,821.93	2,755.85
The accompanying notes form an integral part of the consolidated financial statements		



DIFFUSION ENGINEERS LTD
Unaudited Consolidated Cash Flow Statement for the year ended September 30, 2024
(All amounts in rupees Million, unless otherwise stated)

Particulars	For period ended 30th September 2024 (Unaudited)	For the year ended 31 March 2024 (Audited)
A Cash flows from operating activities		
Profit /(loss) before tax	206.02	410.84
Adjustments:		
Depreciation and amortisation	25.34	45.49
Bad Debts & Write Off	1.77	9.56
Gain / (loss) on remeasurements of the defined employee benefit plans	(3.12)	(1.54)
Net (gain)/loss on financial instruments at fair value through profit or loss	(32.15)	(29.43)
Liabilities written-back	-	-
Interest and Finance Charges	12.72	17.55
Interest Income	(1.79)	(4.27)
Share of profit / (loss) of associates and joint ventures	(14.74)	13.60
Unrealised exchange (gain)/loss	3.37	(2.13)
Exceptional Item	1.49	2.57
(Excess)/short provision of tax relating of previous years	1.81	-
Operating cash flows before working capital changes and other assets	200.70	462.25
(Increase) / decrease in inventories	(192.20)	(15.04)
Decrease/ (increase) in Trade and Other Receivables	14.02	(60.62)
(Decrease) / increase in other current assets	(1.38)	6.70
(Decrease) / increase in Trade and Other Payables	26.49	77.83
(Decrease) / increase in other current liabilities	(34.58)	19.12
(Decrease) / increase in other current provisions	25.76	3.53
Cash generated from operations	38.81	493.78
Income taxes refund / (paid), net	(50.03)	(102.80)
Net Cash Flow From/(Used In) Operating Activities (A)	(11.22)	390.98
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(68.18)	(319.78)
Purchase of intangible assets	(0.11)	(1.70)
Purchase of CWIP	0.62	7.22
Disposal of assets	6.44	1.33
Non Current investment	40.97	(81.08)
Interest Income	1.79	4.27
(Increase)/Decrease in bank balances not considered as cash and cash equivalent (net)	-	4.13
Net Cash Flow From/(Used In) Investing Activities (B)	(18.47)	(385.61)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	(16.70)
Proceeds from short-term borrowings(Net)	147.31	(119.88)
Finance Cost paid	(12.72)	(17.55)
Dividend Paid	(7.01)	(18.22)
Proceeds from Issue	-	202.37
Application money	750.07	-
Issue Expenses	(1.49)	(2.57)
Net Cash Flow From/(Used In) Financing Activities (C)	876.16	27.47
Net increase / decrease in cash and cash equivalents	846.47	32.84
Cash and cash equivalents at the beginning of the period	78.13	45.29
Cash & Cash Equivalents at the End of the Period(A+B+C)	924.60	78.13



Notes to unaudited consolidated financial results for quarter ended September 30th ,2024

1. The equity shares of the Company have been listed on National Stock Exchange of India Limited ("NSE") and on BSE Limited ("BSE") on October 4, 2024 by completing Initial Public Offer ("the IPO") of 93,55,000 equity shares of face value of Rs. 10/-each at an issue price of Rs. 168/-per equity share (including share premium of Rs. 158/-per equity share) aggregating to Rs. 1,571.64 million and 50,000 equity shares to employees of face value of Rs. 10 each and an issue price of Rs. 160/- per equity shares (including share premium of Rs. 150/- per equity share) aggregating to Rs. 8 million. Total amount aggregating to Rs. 1,579.64 million.

Accordingly the above statement of consolidated unaudited financial results for the quarter and six month ended 30th September, 2024 are drawn up for the first time in accordance with the requirement of Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 as amended, accordingly the figures for the quarter and six months ended 30th September, 2023 have not been reported.

2. These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act,2013 and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The above unaudited consolidated financial results for the quarter ended 30th September 2024 and for the half year ended 30th September 2024 in respect of Diffusion Engineers Limited have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 12th November 2024. The Statutory auditors have expressed unmodified opinion on financial results for the quarter ended 30th September 2024 and for the half year ended 30th September 2024. Based on past trends, the company tends to perform better in the second half of the year than in the first
4. The figures for the quarter ended 30 September, 2024 are the balancing figures between the unaudited consolidated figures upto the half year ended 30



September 2024 and unaudited, reviewed published consolidated figures of quarter ended 30 June, 2024.

March 31, 2024 extracted from the audited Financials Statement of that period.

5. As a result of the Management review mechanism, the Company has one segment "Welding Fabrication Technology and Engineering" which includes Manufacturing, Trading and Job Work.
6. The exceptional item of Rs. 1.49 million relates to expenses incurred for the issue expenses, allocated towards working capital requirements which is part of the objects of the issue.
7. The figures of previous periods / year are reclassified, regrouped and rearranged wherever necessary so as to make them comparable with current period's figures.

For and on behalf of the Board of Directors

Diffusion Engineers Limited



Place – Nagpur

Date – 12th November 2024

Prashant Garg
Managing Director

DIN - 00049106

PGS & Associates

Chartered Accountants

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors,
Diffusion Engineers Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Diffusion Engineers Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30th September, 2024 and year to date results for the period 1st April 2024 to 30th September, 2024 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
Subsidiaries:
 - i. Diffusion Super Conditioning Services Private Limited
 - ii. Nowelco Industries Private Limited
 - iii. Diffusion Herson Adhesive and Sealant Private Limited
 - iv. Diffusion Engineers Singapore Pte. Ltd.
 - v. Diffusion Wear Solutions Philippines Inc.



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vi. Diffusion Eurasia Mühendislik Sanayi Ve Ticaret Anonim Sirketi

Associates:

vii. Mecdiff Sdn Bhd

viii. LSN Diffusion Ltd

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The figures for the quarter ended 30 September, 2024 are the balancing figures between the unaudited Consolidated figures upto the half year ended 30 September 2024 and unaudited, reviewed published standalone figures of quarter ended 30 June, 2024. The figures for the year ended March 31, 2024 extracted from the audited Financials Statement of that period.

7. Other Matters

We did not review the interim financial results of 6 subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total revenues (before consolidation adjustments) of Rs. 157.74 million, total net profit after tax (before consolidation adjustments) of Rs. 10.80 million and total comprehensive income (before consolidation adjustments) of Rs. 10.80 million for the quarter ended 30th September, 2024, as considered in the Statement. These financial statements have been reviewed by other auditors and conversion adjustments prepared by the management of the Parent.

We did not review the interim financial results of 6 subsidiaries included in the unaudited consolidated financial results, whose interim financial results reflect total assets (before consolidation adjustments) of Rs. 358.23 million as at September 30, 2024, total revenues (before consolidation adjustments) of Rs. 270.35 million, total net profit after tax (before consolidation adjustments) of Rs. 20.77 million and total comprehensive income (before consolidation adjustments) of Rs. 20.77 million for the year to date results for the period 1st April 2024 to 30th September, 2024, and cash inflow (before consolidation adjustments) (net) of Rs. 101.28 million for the period from 1 April 2024 to 30 September 2024. These financial statements have been reviewed by other auditors and conversion adjustments prepared by the management of the Parent .

The Statement also includes the Group's share of net profit after tax (before consolidation adjustments) of Rs. (12.82) million and Rs. (14.88) million and total comprehensive income (before consolidation adjustments) of Rs. (12.82) million and Rs. (14.88) million, for the quarter ended 30 September 2024 and for the period from 1 April 2024 to 30 September 2024 respectively as considered in the Statement, in respect of one of the associate, based



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on their interim financial information which have been reviewed by other Auditors.
The Statement also includes the Group's share of net profit after tax (before consolidation adjustments) of Rs. (0.05) million and Rs. 0.14 million and total comprehensive income (before consolidation adjustments) of Rs. (0.05) million and Rs.0.14 million, for the quarter ended 30 September 2024 and for the period from 1 April 2024 to 30 September 2024 respectively as considered in the Statement, in respect of one of the associate, based on their interim financial information which have been not reviewed by other Auditors.

According to the information and explanations given to us by the management, these interim financial information are not material to the Group and management certified financial statement and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

For PGS & Associates

Chartered Accountants

Firm Registration Number: 122384W

Premal Gandhi



Premal Gandhi

Partner

Membership Number: 111592

Place: Mumbai

Date: 12th November, 2024.

UDIN: 24111592BKBIUK2884