

INDEPENDENT AUDITORS' REPORT

To,
The Members of Nowelco Industries Pvt. Ltd, Raipur.

Report on the Audit of Standalone Financial Statements

We have audited the accompanying financial statements of **Nowelco Industries Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024 and the Statement of Profit & Loss for the year then ended, Statement of Changes in Equity and statement of cash flows for the year and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2024 and profit/loss, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 financial statements that give a true and fair view of the financial position, financial performance, 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to



cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

A further description of our responsibilities for the audit of the financial statements is included in Annexure A of this auditor's report. This description, which is located at [page number 4 or other specific reference to the location of the description], forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (herein after referred to as the "Order"), and on the basis of such checks and records of the Company as we consider appropriate and according to the information and explanations given to us, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016, issued by the Ministry of Corporate Affairs, in terms of Sec.143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the company.

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 purposes 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 aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of written representations received from the directors as on 31st March 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024, from being appointed as a director in terms of section 164(2) of the Act.



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- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g. With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, we report as under:
- i) The Company does not have any litigations as at March 31, 2024, if any, on its financial position in its financial statements
 - ii) The Company did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There was no amount required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024



DEVENDRA GHATE
Chartered Accountant

Place: Nagpur
Date: 08-07-2024

UDIN: 24160445BKEHOW3119

Proprietor
(Mem. No. 160445)



Reporting as per ANNEXURE "A" of Auditor's Report:-

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Reporting as per ANNEXURE "C" of Auditor's Report:-

1. a) i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
 ii) 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 2024.
- 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 Duty, Cess and GST which are outstanding as at 31.03.2024 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 or 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.



- 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.
13. 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
14. 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.
15. 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.
16. 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.
17. The Company has not incurred cash losses the current year. The carry forward business loss till preceding year is Rs. 41,00,763/- and carry forward unabsorbed depreciation is Rs. 26,33,014/-.
18. 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.
19. 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 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

20. 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.
21. 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.


DEVENDRA GHATE
Chartered Accountant

Place: Nagpur

Date : 08-07-2024

UDIN: 24160445BKEHOW3119

Proprietor
(Mem. No. 160445)



NOWELCO INDUSTRIES PVT.LTD
Standalone Statement of Assets and Liabilities as at March 31, 2024

Particulars	Note No.	As at Mar 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	97.04	101.17
(b) Capital work-in-progress			
(c) Intangible assets			
(d) Financial assets			
(i) Investments			
(ii) Other financial assets			
Total non-current assets		97.04	101.17
(2) Current Assets			
(a) Inventories	4	75.89	113.43
(b) Financial Assets			
(i) Trade receivables	5	149.15	95.24
(ii) Cash and cash equivalents	6	0.32	1.02
(iii) Other bank balances	7		
(iv) Loans and advances	8	7.21	77.84
(v) Others financial assets	9	13.01	13.42
(c) Other current assets	10	14.03	15.37
(d) Deferred Tax (Asset)	11	9.18	8.71
Total current assets		268.79	325.02
Total Assets		365.83	426.19
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	124.56	124.56
(b) Other equity	12	-38.80	-81.69
Total equity		85.76	42.86
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ii) Other financial liabilities			
(b) Deferred tax liabilities (net)			
Total non-current liabilities		-	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	72.73	49.46
(ii) Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		17.95	28.93
Total outstanding dues of creditors other than micro enterprises and small enterprises		90.69	122.88
(iii) Other financial liabilities	15	8.08	10.69
(b) Provisions			
(c) Other current liabilities	16	90.63	171.36
(d) Current tax liabilities (net)	17	-	-
Total current liabilities		280.07	383.32
Total Equity and liabilities		365.83	426.18
The accompanying notes form an integral part of the standalone financial statements		-0.00	0.00

As per our report of even date


DEVENDRA GHATE
(Chartered Accountants)

Membership Number: 160445
Place :
Date : 08-07-2024
UDIN : 24160445BKEHOW3119



For and on behalf of the Board of Directors of
Nowelco Industries Private Limited


Prashant Garg
Director

DIN :- 00049106
Place :
Date : 08-07-2024



Nitin Garg
Director
DIN :- 08558736
Place :
Date : 08-07-2024

NOWELCO INDUSTRIES PVT.LTD
Standalone Statement of Profit & Loss for the period ended March 31, 2024

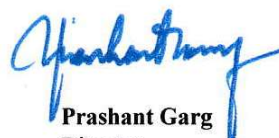
Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
Revenue			
I Revenue from operations	18	2,074.41	1,129.55
II Other income	19	17.02	0.66
III Total revenue (I+II)		2,091.43	1,130.21
IV Expenses			
Cost of materials consumed	20	1,838.56	1,018.30
Changes in inventories of finished goods and work-in-progress	21	2.59	(12.90)
Manufacturing expenses	22	139.37	83.90
Employee benefit expenses	23	10.23	13.13
Finance costs	24	4.79	5.23
Depreciation and amortization expenses	3	4.13	4.65
Other expenses	25	49.33	24.40
Total expenses (IV)		2,049.00	1,136.71
V Profit/(loss) before Exceptional Items and Tax (III-IV)		42.43	-6.49
VI Exceptional Items			
VII Profit/ (loss) before Tax(V-VI)		42.43	-6.49
VIII Tax expenses	26		
- Current tax			
(Excess)/short provision of tax relating of previous years			
- Deferred tax		-0.47	-0.51
Total tax expenses		-0.47	-0.51
IX Net profit for the year (VII-VIII)		42.89	-5.98
X Other comprehensive income			
(A) (i) Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit plans		-	-
Income tax effect on above			
(B) (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 year, net of tax (X)		-	-
XI Total comprehensive income / (loss) for the period (IX+X)		42.89	-5.98
XII Earnings per equity share			
Earnings per equity share [nominal value of share Rs. 10/-]	27		
Basic		3.44	-0.48
Diluted		3.44	-0.48
The accompanying notes form an integral part of the standalone financial statements			

As per our report of even date


DEVENDRA GHATE
 (Chartered Accountants)
 Membership Number: 160445
 Place :
 Date : 08-07-2024
 UDIN : 24160445BKEHOW3119



For and on behalf of the Board of Directors of
Nowelco Industries Private Limited



Prashant Garg
 Director
 DIN :- 00049106
 Place :
 Date : 08-07-2024


Nitin Garg
 Director
 DIN :- 08558736
 Place :
 Date : 08-07-2024

NOWELCO INDUSTRIES PVT.LTD
Standaone Cash Flow Statement for the Period ended March 31, 2024
(All amounts in rupees Million, unless otherwise stated)


Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash flows from operating activities		
Profit/(loss) before tax	42.43	-6.49
Adjustments:		
Depreciation and amortisation	4.13	4.65
Interest and Finance Charges	4.79	5.23
Operating cash flows before working capital changes and other assets	51.35	3.38
(Increase) / decrease in inventories	37.54	-58.53
Decrease/ (increase) in Trade and Other Receivables	(53.92)	(12.01)
(Decrease) / increase in other current assets	72.37	(59.90)
(Decrease) / increase in Trade and Other Payables	(43.17)	73.97
(Decrease) / increase in other current liabilities	(83.35)	63.01
(Decrease) / increase in other current provisions		
Cash generated from operations	(19.18)	9.92
Income taxes refund / (paid), net		
Net Cash Flow From/(Used In) Operating Activities (A)	(19.18)	9.92
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(4.61)
Purchase of intangible assets		
Purchase of CWIP		
Non Current investment		
Interest Income	-	
Profit/(loss) on sale of Investments		
Net Cash Flow From/(Used In) Investing Activities (B)	-	(4.61)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings		
Proceeds from short-term borrowings(Net)	23.26	0.42
Finance Cost paid	(4.79)	(5.23)
Dividend Paid		
Proceeds from Issue		
Net Cash Flow From/(Used In) Financing Activities (C)	18.47	(4.81)
Net increase / decrease in cash and cash equivalents	(0.71)	0.51
Cash and cash equivalents at the beginning of the period	1.02	0.51
Cash & Cash Equivalents at the End of the Period(A+B+C)	0.32	1.02

As per our report of even date


DEVENDRA GHATE
 (Chartered Accountants)
 Membership Number: 160445
 Place :
 Date : 08-07-2024
 UDIN : 24160445BKEHOW3119



For and on behalf of the Board of Directors of
Nowelco Industries Private Limited


Prashant Garg
 Director
 DIN :- 00049106
 Place :
 Date : 08-07-2024


Nitin Garg
 Director
 DIN :- 08558736
 Place :
 Date : 08-07-2024

NOWELCO INDUSTRIES PVT.LTD

12. Standalone Statement of Change in Equity for the period ended 31 March 2024

NOWELCO INDUSTRIES PRIVATE LIMITED

PARTICULARS

NOTE No -12.1 SHARE CAPITAL

	As At March 31, 2024	As At March 31, 2023
AUTHORISED		
15,00,000 Equity Shares of Rs 10/- each	1,50,00,000.00	1,50,00,000.00
ISSUED SUBSCRIBED & PAID UP	124.56	124.56
12,45,550 Equity shares of Rs 10/- each		
	124.56	124.56

Note 12.1 : Reconciliation of number of shares outstanding is set out below:

Particulars			
Equity shares at the beginning of the year (in Nos.)		12,45,550	-
Add: Shares issued during the current financial year		-	-
Equity shares at the end of the year (in Nos.)		12,45,550	-

Note 12.2 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 12.3 : There is no fresh issue or buyback of shares during the year.

Note 12.4 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 12.5 : There is no change in the number of shares outstanding at the beginning and at the end of the year.

Note 12.6 : There is no change in the pattern of shareholding during the year. It is same as the last year.

Shares held by promoters at the end of the year 31st March 2024					% Change during the year
Sr. No.	Promoter Name	No. of Shares	% of total shares		
1	M/s Diffusion Engineers Ltd.	685510	55.04%		
2	M/S.Diffusion super Conditioning Solution	150000	12.04%		
3	Mr. Prashant Garg	139400	11.19%		
4	Mrs. Chitra Garg	14040	1.13%		
5	Dr. Nitin Garg & Dr. Renuka Garg	11400	0.92%		
6	N. K. Garg (H.U.F.)	25200	2.02%		
7	Mr. Anup Chatterjee	3800	0.31%		
8	Mrs. Marion Bush	90800	7.29%		
9	Dr.Nitin Garg	125400	10.07%		
	Total	12,45,550	100.00%		

Shares held by promoters at the end of the year 31st March 2023					% Change during the year
Sr. No.	Promoter Name	No. of Shares	% of total shares		
1	M/s Diffusion Engineers Ltd.	685510	55.04%		
2	M/S.Diffusion super Conditioning Solution	150000	12.04%		
3	Mr. Prashant Garg	139400	11.19%		
4	Mrs. Chitra Garg	14040	1.13%		
5	Dr. Nitin Garg & Dr. Renuka Garg	11400	0.92%		
6	N. K. Garg (H.U.F.)	25200	2.02%		
7	Mr. Anup Chatterjee	3800	0.31%		
8	Mrs. Marion Bush	90800	7.29%		
9	Dr.Nitin Garg	125400	10.07%		
	Total	12,45,550	100.00%		



A EQUITY SHARE CAPITAL

	No. of Shares	Amount
Balance as at March 31, 2023	12,45,550	124.56
Add: Issue during the year		
Balance as at March 31, 2024	12,45,550	124.56

B OTHER EQUITY

Particulars	Retained Earnings	Securities Premium	Capital Redemption Reserve	Capital Reserve	General Reserve	Total
Balance as at 31 March 2022	-77.21	-	-	1.50	-	-75.71
Profit for the year	-5.98					-5.98
Net change in fair value of Equity investments						
Remeasurement of net defined benefit plan						
Balance as at 31 March 2023	-83.19	-	-	1.50	-	-81.69
Profit for the year	42.89					42.89
Net change in fair value of Equity investments						
Remeasurement of net defined benefit plan						
Balance as at 31 March 2024	-40.30	-	-	1.50	-	-38.80

As per our report of even date

For and on behalf of the Board of Directors of
Nowelco Industries Private Limited


DEVENDRA GHATE
(Chartered Accountants)
Membership Number: 160445
Place :
UDIN : 24160445BKEHOW3119
Date : 08-07-2024




PRASHANT N. GARG
Chairman & Managing Director
DIN :- 00049106
Place :
Date : 08-07-2024



Nitin Garg
Director
DIN :- 08558736
Place :
Date : 08-07-2024

DIFFUSION ENGINEERS LTD
Notes forming part of the Ind AS financial statements (continued)
(All amounts in rupees Million, unless otherwise stated)

Note 3 and 3a

Property, plant and equipment

Particulars	Land Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Weighing Machines	Total	Capital work in progress (CWIP)
As at 31 March 2023	20	43	180	27	-	0.74	2.25	-	272.67	-
Additions	-	-	-	-	-	-	-	-	-	-
Sales/Disposals/Adjustments	19.74	42.89	179.84	27.20	-	0.74	2.25	-	272.67	-
As at 31 March 2024	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	-	32	110	26	-	0.73	2.16	-	171.50	-
Depreciation for the year	-	1.03	3.07	-	-	-	0.03	-	4.13	-
Sales/Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2024	-	33.12	113.32	26.27	-	0.73	2.18	-	175.63	-
Net block	-	-	-	-	-	-	-	-	-	-
As at 31 March 2023	19.74	10.80	69.59	0.93	-	0.01	0.10	-	101.17	-
As at 31 March 2024	19.74	9.77	66.52	0.93	-	0.01	0.07	-	97.04	-



NOWELCO INDUSTRIES PVT.LTD
Notes forming part of the Ind AS financial statements
(All amounts in rupees Million, unless otherwise stated)

Note 4
Inventories

(Valued at cost, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Consumables, Stores and Spare parts (At lower of cost and net realisable value)		
Stock in trade		
Raw Materials	60.03	94.99
Work in Progress	3.84	1.24
Finished goods & Traded Goods	12.02	17.21
	75.89	113.43
Stock - In - Transit		
Raw Materials		
Consumables, Stores and Spare parts		
Traded Goods		
	-	-
Total	75.89	113.43

Note 5

Trade Receivables

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, considered good	149.15	95.24
Unsecured, considered good *		
Less: Allowance for expected credit loss		
Total	149.15	95.24
Receivables from related parties (Refer Note 37)		
Receivables from others		
	-	-

Trade Receivables ageing schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	123.39	0.03				123.41
(i) Undisputed Trade receivables -considered doubtful	2.77	-	0.31	-	0.32	3.40
(iii) Disputed trade receivables considered good	-	-	-	-	-	-
(iv) Disputed trade receivables considered doubtful	-	0.02	0.02	0.12	22.20	22
Total	126.16	0.05	0.32	0.12	22.52	149.17
Expected Credit Loss						-
Net						149.17

Trade Receivables ageing schedule as at 31st March,2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	69.85	1.24				71.09
(i) Undisputed Trade receivables -considered doubtful	1.06	0.03	0.01	-	6.26	7.37
(iii) Disputed trade receivables considered good						-
(iv) Disputed trade receivables considered doubtful	0.02		0.00	0.00	16.76	16.78
Total	70.93	1.27	0.02	0.00	23.02	95.24
Expected Credit Loss						-
Net						95.24

Note 6

Cash and bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and Cash Equivalents		
Cash on hand	0.20	0.15
Balance with scheduled banks		
in current accounts	0.12	0.87
Fixed deposit with maturity less than 3 months		
	0.32	1.02



Note 8
Loans and Advances

Particulars	As at March 31, 2024	As at March 31, 2023
Loan to employees	0.81	0.71
Advance to others	0.25	62.60
Advance Tax	6.15	14.53
Total	7.21	77.84

Note 9
Others Financial Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Interest receivable	0.36	
MAT credit	0.82	
Deposit recoverable	11.82	13.42
Total	13.01	13.42

Note 10
Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	4.50	
<i>Balances with government authorities</i>		
GST receivable	0.16	3.25
Export and other incentives receivable		
Custom duty paid	1.04	
Vat and sales tax	-	
Net surplus in defined benefit plan- gratuity fund		
CST receivable		12.12
TCS TDS receivable	8.33	
Total	14.03	15.37

Note 11
Deferred tax Assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets:		
Timing Difference on account of Carrying amount of Property, plant and equipment and Intangible assets in the Financial Statements and the Income Tax Return	9.18	8.71
Deferred Tax Assets:		
Expense allowable for tax purpose when paid (Section 43B items)		
Total	9.18	8.71

Note 13
Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
secured		
Loan From Banks	72.73	49.46
Current maturities of long term borrowings	-	-
Total	72.73	49.46



Note 14

Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
total outstanding dues of micro and small enterprises	17.95	28.93
total outstanding dues of creditors other than micro and small enterprises	90.69	122.88
	108.65	151.81

Trade Payables ageing schedule: As at 31st March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 Year	1-2 years	2-3 years	> 3 years	
(i) MSME		17.95				17.95
(ii) Others		80.71	10.09	0.01	0.01	90.81
(iii) Disputed dues- MSME						-
(iv) Disputed dues - Others						-

Trade Payables ageing schedule: As at 31st March,2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 Year	1-2 years	2-3 years	> 3 years	
(i) MSME		28.93				28.93
(ii) Others		122.77	0.09	0.01		122.88
(iii) Disputed dues- MSME						-
(iv) Disputed dues - Others						-



Note 15

Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Audit Fees Payable	0.21	0.20
Carriage Out Wards Payable A/C	0.49	-
Director Remuneration Payable	0.88	1.05
Diwali Expenses Payable A/C	0.19	-
Guest House Exps Payable	-	0.02
Incentive Exp. Payable	-	-
Intt. On Unsecured Loan Payable	-	4.63
Labour Welfare Fund Payable	0.02	0.06
P.F. Contribution Payable	0.04	0.05
Power Charges Payable	2.99	2.08
Salary Payable	0.33	0.73
Wages Payable	2.92	1.87
Total	8.08	10.69

Note 16

Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Remittances	8.49	2.03
Security Deposit Received from dealer	1.25	1.25
Mobile Scheme	-	-
Other Credit Balances	-	-
Advance Received from related party	74.46	162.69
Other Liabilities	6.43	5.39
Total	90.63	171.36

Note 17

Current tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Tax- Net of Advance Tax	-	-
Total	-	-

Note 18

Revenue from operation

Particulars	As at March 31, 2024	As at March 31, 2023
Sale of Products and Services		
-Manufacturing	2,074.41	1,129.55
Total	2,074.41	1,129.55

Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Revenue disaggregation is as follows

	As at March 31, 2024	As at March 31, 2023
Disaggregation of goods		
Manufactured Products	2,074.41	1,129.55
Trading Products	-	-
Job Works	-	-
Other Unallocated- Insurance, License sale and Duty Drawback	-	-
	2,074.41	1,129.55
Disaggregation based on geography		
India	2,074.41	1,129.55
Outside India	-	-
	2,074.41	1,129.55



Note 19
Other Income

Particulars	As at March 31, 2024	As at March 31, 2023
Interest income		
- on Deposit	0.40	0.24
Income tax Refund	0.03	0.03
Foreign exchange gain (net)	9.1902504	0.2150355
Fright charges recovered	0.49	0.17
Net gain on financial instruments at fair value through profit or loss		
sales Scrap	2.150936	
Packing and Forwarding	0.001	0.00447
Misc Income	4.75176	
Total	17.02	0.66

Note 20
Cost of materials consumed

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Stock	94.99	49
Purchases	1,803.61	1,063.93
Less: Closing Stock	60.03	94.99
Total	1,838.56	1,018.30



Note 21

Changes in inventories of finished goods and work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Inventories at the beginning of the year:		
Stock-in-trade		
Finished goods	17.21	4.49
Work-in-progress	1.24	1.05
	18.45	5.54
Inventories at the end of the year:		
Stock-in-trade		
Finished goods	12.02	17.21
Work-in-progress	3.84	1.24
	15.86	18.45
Total	2.59	(12.90)

Note 22

Manufacturing expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Import Expenses	10.91	5.15
Custom Duty	54.11	6.05
Job Work Charges	0.27	0.06
Labour Charges	0.00	27.47
Power Charges	32.86	32.32
Wages	27.24	
Carriage Inward (Import)	13.98	12.84
	139.37	83.90
Total	139.37	83.8996

Note 23

Employee benefits expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Salaries, wages and bonus	6.17	9.35
Post employment benefits		
-Contribution to provident and other funds	0.32	0.41
-Gratuity and other defined benefit plans	0.28	
Labour welfare fund	0.03	0.03
Staff welfare	0.43	0.33
Director Remuneration	3.00	3.00
	10.23	13.13

Note 24

Finance cost

Particulars	As at March 31, 2024	As at March 31, 2023
-Interest expense on:		
Borrowings	4.41	5.17
Other borrowing costs	0.38	0.06
Exchange Fluctuation on Foreign Currency Transactions/ Translations		-
Total	4.79	5.23

Note 3

Depreciation and amortisation expense

Particulars	As at March 31, 2024	As at March 31, 2023
Depreciation of tangible assets	4.13	4.65
Amortisation of intangible assets		
Total	4.13	4.65



Note 25

Other expenses

Particulars	As at March 31,	As at March 31,
	2024	2023
Audit Fees	0.26	0.26
Boiler Renewal Fee	0.04	0.03
Carrage Outward On Sales	15.32	
Consultancy Expenses	0.71	0.37
Conveyance Expenses	0.26	
CST paid		0.25
Courier & Postages Expenses	0.24	
Discount (Gst)	0.06	0.11
Diwali Expenses	0.20	
Documentation And Other Exp	0.10	
Epr Expenses-Cpcb	0.14	0.02
Factory Expenses	0.03	0.03
Factory Licence Fee	0.11	
Filing Fees	0.05	0.05
Gift Expenses	0.10	
Gst Paid	0.05	0.02
Guest House Expenses	0.47	0.59
Incentive Exps.	1.10	1.00
Insurance	0.33	0.39
Interest expenses	0.00	
Internet Expenses	0.03	
Iso Certification Charges	0.08	0.08
Legal Charges	0.51	0.61
Licence Fee	0.90	0.82
Loading & Unloading Expenses	0.16	0.21
Medical Expenses	0.09	
Office Expenses	0.01	0.10
Packing & Forwarding	0.03	10.72
Pooja Expenses	0.16	0.37
Printing & Stationery	0.29	0.15
Professional Charges	0.63	
Professional Tax	0.10	
Registration Charges	0.10	
Rent-Establishment	0.34	
Repair & Maintenance (Electrical)	0.02	0.17
Repair & Maintenance (Machanical)	0.76	0.71
Repairs & Maintenance Expenses (Other)	0.01	
Round Off	0.00	
Security Charges	2.11	1.97
Short/Excess A/C	-0.00	
Social Welfare Surcharge	5.41	
Society Maintenance Exp	0.29	
Stamping And Reverification Exp	0.02	
Tally Renewal Charges	0.11	
Taxes And Fee	0.75	0.02
Telephone Expenses	0.11	0.31
Testing Charges	0.57	0.55
Travelling Expenses	4.74	4.43
Misc charges		0.02
Vat Paid		0.02
Write off account	11.42	0.06
Total	49.33	24.40



NOWELCO INDUSTRIES PVT.LTD

Notes forming part of the Ind AS financial statements (continued)
(All amounts in rupees Million, unless otherwise stated)

Ratio Analysis

Sr No.	Ratio Analysis	Numerator	Denominator	31-Mar-24	31-Mar-23	% Variance	Reason for variance
1	Current Ratio	Current Assets	Current Liabilities	0.96	0.85	13.19%	
2	Debt Equity Ratio	Total borrowings	Shareholder's Equity	0.85	1.15	-26.51%	Variance is due to increase in debt
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	10.72	0.65	1556.62%	The variance is attributed to an increase in profit driven by higher sales and a reduction in costs.
4	Return on Equity Ratio	Profit After Tax	Avg. Shareholders Equity	66.70%	-13.05%	-611.18%	The variance is attributed to an increase in profit driven by higher sales and a reduction in costs.
5	Inventory Turnover Ratio	Net Sales	Average Inventory	21.91	13.42	63.29%	Variance is due to increase of sales
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	16.98	12.66	34.11%	Variance is due to increase of sales
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	13.85	9.27	49.47%	Variance is due to increase of purchase
8	Net Capital Turnover Ratio	Net Sales	Average Working Capital	(59.62)	(20.41)	192.05%	Variance is due to increase of sales
9	Net Profit Ratio	Profit After Tax	Net Sales	2%	-1%	-490.38%	Variance is due to decrease in overall direct and indirect expenditure and increase in operating margin
10	Return on Capital employed	EBIT	Capital Employed	29.79%	-1.37%	-2273.01%	The variance is attributed to an increase in profit driven by higher sales and a reduction in costs.
11	Return on Investment	Profit After Tax	Shareholder's Equity	50.02%	-13.96%	-458.33%	The variance is attributed to an increase in profit driven by higher sales and a reduction in costs.

Explanation :

Total Debt represents Current Borrowings + Non Current Borrowings.

Shareholders Equity represents Equity Share Capital + Other equity

Earnings available for debt service represents Profit Before Tax + Depreciation and Amortizations + Interest on Debt

Debt Service represents Interest on Debt + Scheduled Principal Repayment of Non Current Borrowings

Net Sales represents Domestic Sales + Scrap Sales

Capital Employed represents Total Equity + Borrowings



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

NOTE 16a Related Party Disclosures :

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

I. Key Management Personnel

Mr. Prashant Garg

Mr. Nitin Garg

Mrs. Neelu Garg

II. Holding Company

Diffusion Engineering Ltd

B. Transactions with Related Parties :

(In Lakhs.)

Nature of transaction	Holding Company	Holding Company
	FY 2023-24	FY 2022-23
KMP remuneration Prashant Garg	3.00	3.00
TRADE PAYABLE As On 31.03.2024 Diffusion Engineering Ltd	74.46	162.69
SALES	1,657.27	524.03
EXPENSES		
Purchases	42.52	41.88
Total Debit Note received towards expenses	294.26	60.04

Figure in brackets represent Previous Year Figures

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



NOTES TO ACCOUNTS

Note No. 1 : COMPANY BACKGROUND

Nowelco Industries Pvt. Ltd. is an ISO 9001: 2015 company engaged in the manufacturing of

Note No. 2 : SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation of Financial Statements :

The financial statements are prepared in accordance with the Indian Generally Accepted

(ii) Use of Estimates :

The preparation of the financial statements in conformity with generally accepted accounting

(iii) Revenue Recognition :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the

Revenue is recognized when the significant risk and rewards of ownership of the goods have passed

(iv) Fixed Assets and Depreciation

a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. All

b) In respect of the fixed assets of holding company, depreciation on tangible fixed assets is

(v) Inventories

Raw materials, Consumables, Stores and Spare parts are valued at lower of cost and net realizable

Work in Progress and Finished goods are valued at lower of cost and net realizable value. Cost

The cost is computed on weighted average / FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated

(vi) Investments

Trade Investments are the investments made to enhance company's business interests. Investments

(vii) Foreign Currency Transactions

a) Transactions denominated in foreign currencies are recorded at the RBI Reference rates

b) Investment in equity of foreign subsidiary and Joint Ventures, measured at historical cost, are

(viii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are

(ix) Employee Benefits

i) Short Term Employee Benefits:

All the employees benefits payable wholly within twelve months of rendering services are classified

(x) Taxes on Income

Income tax expense comprises of current tax and deferred tax charge or credit. Provision for

(xi) Impairment of Assets:

The carrying amounts of the assets are reviewed at each balance sheet date if there is any indication

(xii) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when an enterprise has a present obligation as a result of a past event, it

(xiii) Classification of Current/Non Current

All assets and liabilities are presented as Current or Non Current as per the Company's normal



NOTE No. -26 NOTES ON ACCOUNTS

(i) Figures have been rounded off to the nearest rupee and the figures for the previous year have been

(ii) Payment to Auditors:	Current Year	Previous Year
Audit Fees	20,000.00	20,000.00
Tax Audit	7,500.00	7,500.00

(iii) Earning Per Share :	Current Year	Previous Year
Net Profit after Tax after Prior Period Items and CSR	42.89	(5.98)
No. of Shares Outstanding	12.46	12.46
Weighted Average number of shares outstanding during the year	12.46	12.46
Basic & Diluted Earning Per Share	3.44	(0.48)
[Nominal Value Rs.10/- each] (Rs.)		

(iv) Break-up of Deferred Tax Assets / (Liabilities) :	Current Year	Previous Year
Deferred Tax Liability:		
Timing Difference on account of	8.71	8.20
	-	-
Deferred Tax Assets:		
Expense allowable for tax purpose when paid (Section 43B items)	(0.47)	(0.51)
Net Deferred Tax Assets / (Liability)	9.18	(8.71)

(xiv) The impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. However, the management has estimated future cash flows for the Company and it believes that there is no impact on its ability to continue as a going concern and

xix) Quarterly returns or statements of current assets filed by the company with banks or financial institutions are generally in agreement with the books of accounts and there are no major discrepancies

xx)

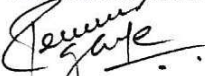
No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or In any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified In any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

xxi) Previous Years Figures are re-grouped and re-arranged wherever necessary.

For and on behalf of Board of Directors

As per our Report of even date attached.

For DEVENDRA GHATE
CHARTERED ACCOUNTANTS



DEVENDRA GHATE



PROPRIETOR

M. No. 160445

Place :

Date : 08-07-2024



PRASHANT GARG

DIRECTOR

DIN : 00049106

Place :

Date : 08-07-2024

Nitin Garg

DIRECTOR

DIN : 08558736

Place :

Date : 08-07-2024