



OFFICE
GS-7, Priyanka Palace,
Congress Nagar,
Nagpur-440 012.
Mob. : 9823370209 / 8788663582
capngupta@gmail.com

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

**To the Board of Directors of
Diffusion Engineers Singapore Pte. Ltd.**

Opinion

We have audited the accompanying financial statements of **Diffusion Engineers Singapore Pte. Ltd.** (“the Company”), which comprise the **Statement of Assets and Liabilities** as at **31 March 2026**, and the **Statement of Profit and Loss (including Other Comprehensive Income)** and the **Statement of Cash Flows** for the year then ended, and 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 financial statements:

- give the information required by the applicable financial reporting framework in the manner so required; and
- give a **true and fair view** in conformity with the accounting principles generally accepted in India (for consolidation purposes), of the state of affairs of the Company as at 31 March 2026, and its profit (or loss) 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, issued by the **Institute of Chartered Accountants of India (ICAI)**.

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 ethical requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is **sufficient and appropriate** to provide a basis for our opinion.



Emphasis of Matter

Without qualifying our opinion, we draw attention to the following:

The financial statements of the Company were originally prepared in **United States Dollar (USD)** and have been translated into **Indian Rupees (INR)** for the purpose of presentation and consolidation by the Holding Company.

- **Assets and liabilities** are translated at **closing exchange rate**
- **Income and expenses** are translated at **average rates**

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with applicable financial reporting standards.

This responsibility includes:

- Designing, implementing, and maintaining adequate **internal controls**
- Ensuring financial statements are **free from material misstatement**, whether due to fraud or error
- Selecting and applying appropriate accounting policies
- Making reasonable and prudent accounting estimates

Auditor's Responsibility

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

An audit involves:

- Performing procedures to obtain audit evidence
- Assessing risks of material misstatement (fraud or error)
- Evaluating internal controls relevant to financial reporting
- Evaluating appropriateness of accounting policies
- Assessing reasonableness of estimates
- Evaluating overall presentation of financial statements



Other Matter

The financial statements of the Company are prepared for the purpose of **consolidation with its Holding Company in India** and may not be suitable for any other purpose.

For CA PN GUPTA



Chartered Accountant
Membership No.: 044161
Nagpur , Date: 06 May 2026
UDIN: 26044161FZJGLA9909

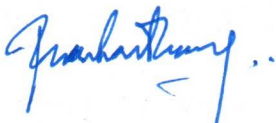


DIFFUSION ENGINEERS SINGAPORE PTE. LTD.
Statement of Assets and Liabilities as at March 31, 2026

(Amount - INR in Million)

Particulars		As at 31st March, 2026	As at 31st March, 2025
I.	ASSETS		
	A. Non Current Assets		
	(a) Financial Assets		
	(i) Investments	15.46	15.46
	Total Non-current assets	15.46	15.46
	B. Current Assets		
	(a) Financial Assets		
	(i) Trade Receivables	152.16	16.04
	(ii) Cash and Cash Equivalents	0.32	51.67
	(iii) Other receivables	30.84	
	(iv) Loans		
	(1) Inter Company Loan	15.14	
	(c) Current Tax Asset (Net)		
	(d) Other current assets		
	Total Current assets	198.47	67.71
	TOTAL ASSETS	213.92	83.16
II.	EQUITY AND LIABILITIES		
	A. Equity		
	(a) Equity Share Capital	15.03	15.03
	(b) Other Equity	65.85	53.44
	Total Equity	80.88	68.46
	B. Liabilities		
	B.1 Non -Current liabilities		
	(a) Financial liabilities		
	(i) Other financial liabilities		
	(b) Provisions (Provision for taxation)	10.03	0.04
	(c) Other Non-Current liabilities		
	Total Non -Current liabilities	10.03	0.04
	B.2 Current liabilities		
	(a) Financial liabilities		
	(i) Trade Payables		
	(A) Total outstanding dues of micro enterprise and small enterprises		-
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	74.77	13.66
	(ii) Other Financial Liabilities	48.25	1.04
	(b) Current Tax Liabilities (Net)		-
	Total Current liabilities	123.01	14.70
	Total Liabilities	133.04	14.70
	TOTAL EQUITY AND LIABILITIES	213.92	83.16

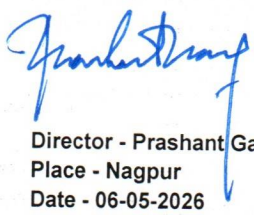
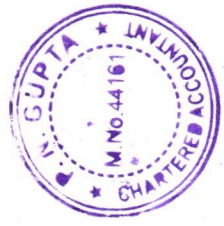
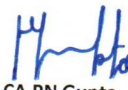
For and on behalf of the Board of Directors of
DIFFUSION ENGINEERS SINGAPORE PTE. LTD.


Director - Prashant Garg
Place - Nagpur
Date - 06-05-2026



As per our report of even date


For CA PN Gupta
Chartered Accountants
Membership No. 044161
Nagpur,
Partner
Date - 06-05-2026
UDIN - 26044161FZJGLA9909

DIFFUSION ENGINEERS SINGAPORE PTE. LTD.			
Statement of Profit & Loss and other comprehensive income for the period ended March 31, 2026			
(Amount - INR in million, except per share data)			
PARTICULARS		Year Ended	Year Ended
		31st March 2026	31st March 2025
I	Revenue from operations	308.75	37.01
II	Other Income	0.12	50.19
III	Total Income (I+II)	308.86	87.20
IV	Expenses		
	Purchases of Stock-in-trade	237.69	31.75
	Employee Benefits Expense	0.00	1.09
	Finance costs	0.38	0.00
	Other Expenses	2.99	2.94
	Total Expenses	241.07	35.77
V	Profit/ (loss) before tax (III-IV)	67.80	51.43
VI	Tax expense		
	(a) Current Tax		
	(b) Deferred Tax		
	Total Tax Expense	9.31	
	Profit/ (loss) for the period (V - VI)	58.49	51.43
VII	Other comprehensive income		
I	A (i) Items that will not be reclassified to profit or loss:		
	(ii) Income tax relating to items that will not be reclassified to profit or loss		
	B (i) Items that will be reclassified to profit or loss - Foreign currency translation of foreign operations	4.73	
	(ii) Income tax relating to items that will be reclassified to profit or loss		
	Total Other Comprehensive Income for the period	4.73	-
	Total Comprehensive Income for the period (VII+VIII)	63.22	51.43
	Earnings per equity share (EPS) (Amount in INR)		
	a) Basic	252.65	205.54
	b) Diluted	252.65	205.54
For and on behalf of the Board of Directors of DIFFUSION ENGINEERS SINGAPORE PTE. LTD. As per our report of even date  Director - Prashant Garg Place - Nagpur Date - 06-05-2026   For CA PN Gupta Chartered Accountants Membership No. 044161 Nagpur, Partner Date - 06-05-2026 UDIN - 26044161FZJGLA9909			

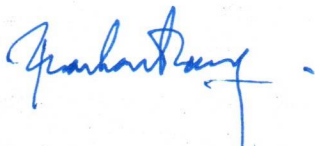
DIFFUSION ENGINEERS SINGAPORE PTE. LTD.
Cash Flow Statement for the Year ended on 31st March, 2026

(Amount - INR in Million)

Particulars	Year Ended 31st March 2026	
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	67.80	
Adjusted For:		
Notional Income - OCI	4.73	
Interest Income		
Interest Expense	-	
Operating Profit before Working Capital changes		72.53
Adjustment for Working Capital Changes :		
Trade Payables	61.11	
other Receivalbe	-30.84	
Provision for taxation	10.03	
Trade Receivables	-136.12	
Other Current Financial Liabilities	47.21	
Total Cash Flow from Operating Activies before tax		23.91
Less: Direct Taxes Paid	9.31	
NET GENERATED/(USED) FROM OPERATIONS		14.59
B) CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	-	
Inter Company Loan	-15.14	
NET GENERATED FROM INVESTING ACTIVITIES [B]		(15.14)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-50.80	
NET GENERATED/(USED) FROM FINANCING ACTIVITIES [C]		(50.80)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(51.35)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS		51.67
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		0.32

For and on behalf of the Board of Directors of
DIFFUSION ENGINEERS SINGAPORE PTE. LTD.

As per our report of even date



Director - Prashant Garg
Place - Nagpur
Date - 06-05-2026




For CA PN Gupta
Chartered Accountants
Membership No. 044161
Nagpur,
Partner
Date - 06-05-2026
UDIN - 26044161FZJGLA9909

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

DIFFUSION ENGINEERS SINGAPORE PTE. LTD.

1. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

a. Basis of Presentation

The Company maintains its books of account and prepares its statutory financial statements in accordance with the applicable laws and regulations of Singapore, including **Singapore Financial Reporting Standards (SFRS)** and other relevant regulatory requirements.

The functional currency of the Company is **United States Dollar (USD)**, based on the primary economic environment in which it operates. The statutory financial statements are also prepared in USD

Presentation in Indian Rupees (INR)

For the purpose of presentation and consolidation by its Holding Company, the financial information has been translated from **USD into INR**.

- **Assets and liabilities** are translated at the **closing exchange rate** as at the reporting date.
- **Income and expenses** are translated at **exchange rates prevailing during the period (average rate basis)**.
- Resulting **exchange differences** are recognized in accordance with applicable accounting standards.

b. Segment Reporting

The Company operates in a **single reportable segment and single geographical location**, and accordingly, segment reporting is not applicable for the periods ended 31 March 2026 and 31 March 2025.



c. Financial Assets (Intercompany Loan)

The Company has advanced a loan to a related party, **Diffusion Wear Solutions Middle East**, which is classified as a **financial asset measured at amortized cost**.

- Interest income, if any, is recognized in the Statement of Profit and Loss.
- The Company assesses at each reporting date whether there is any **expected credit loss (ECL)** on such financial asset and provides for impairment where required.

d. Trade Receivables

Trade receivables are recognized at **invoice value**, less provision for doubtful debts.

- Being short-term and non-interest bearing, carrying value approximates fair value.

e. Cash and Cash Equivalents

Cash and cash equivalents include:

- Bank balances
- Short-term deposits (≤ 3 months maturity)
- Other highly liquid investments

f. Trade Payables

Trade payables are recorded at **invoice value**.

- Due to their short-term nature, discounting impact is not material.

g. Foreign Currency Transactions

Since the functional currency is **USD**, transactions in currencies other than USD are recorded at exchange rates prevailing on transaction dates.

- **Monetary items** → translated at closing rate
- **Non-monetary items at fair value** → translated at valuation date
- **Historical cost items** → not retranslated



h. Provisions, Contingent Assets and Liabilities

Provisions are recognized when:

- A present obligation exists
- Outflow of resources is probable
- Reliable estimate is available

Provisions are measured at best estimate and discounted where material.

i. Going Concern

The financial statements are prepared on a **going concern basis**, assuming the Company will continue its operations and meet its liabilities in the normal course of business.

j. Interest Income

Interest income, including income from intercompany loans are recognized under **Other Income**.

k. Property, Plant and Equipment (Tangible Assets)

The Company **does not hold any property, plant and equipment** as at the reporting date.

For future acquisitions:

- Assets will be carried at cost less accumulated depreciation and impairment
- Depreciation will be provided using the **Straight-Line Method (SLM)** over useful lives

l. Borrowing Costs

The Company **does not have any outstanding borrowings** as at the reporting date.

Future borrowing costs will be accounted for as follows:

- Costs directly attributable to qualifying assets will be capitalized
- Other borrowing costs will be expensed as incurred



m. Statement of Cash Flows

The Company prepares its cash flow statement using the **indirect method**, classifying cash flows into:

- Operating activities
- Investing activities
- Financing activities

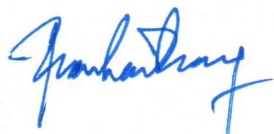
n. Foreign Currency Translation Reserve (FCTR)

The financial statements are translated from **USD (functional currency)** to **INR (presentation currency)** for consolidation.

- **Assets and liabilities** → closing rate
- **Income and expenses** → average rate
- **Equity items** → historical rates

The resulting translation differences are:

- Recognized in **Other Comprehensive Income (OCI)**
- Accumulated under **Equity as Foreign Currency Translation Reserve (FCTR)**



For Diffusion Engineers Singapore Pte. Ltd.

Date: 06 May 2026



For CA PN GUPTA

Chartered Accountant

Membership No. 044161

Nagpur,

Date: May 06, 2026

UDIN - 26044161FZJGLA9909