



Date: February 07, 2025

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
NSE Symbol: DIFFNKG

To,
The Manager
Corporate Relationship Department
BSE Limited
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
BSE Scrip Code - 544264

Dear Sir/Madam,

Sub-: Outcome of Board Meeting held today i.e. Friday, February 07, 2025

Ref: Our Intimation Letter dated January 30, 2025

With reference to our earlier intimation and in accordance with Regulation 30 (read with Part A of Schedule III) and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform you that the Board of Directors of the Company at its Meeting held today i.e. **Friday, February 07, 2025**, *inter alia*, considered and approved the following matters:

- 1) The Unaudited (Standalone and Consolidated) Financial Results for the quarter and nine months ended December 31, 2024.

In terms of Regulation 33 of the Listing Regulations, we are enclosing herewith the following documents as **Annexure 1**:

- a. Unaudited (Standalone and Consolidated) Financial Results for the quarter and nine months ended December 31, 2024;
 - b. Limited Review Report on the said financial results received from the Statutory Auditors of the Company.
- 2) Incorporation of a Wholly-owned Subsidiary of the Company with the name having pre-fix "Diffusion Engineers Middle East" or such other name as may be approved by regulatory authorities of United Arab Emirates (UAE) for the purpose of the business related to service of welding and light fabrication shop to cater to Middle Eastern markets. Details, as required under Regulation 30 of SEBI Listing Regulations, 2015 read with SEBI Master Circular issued vide circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, are enclosed as **Annexure II**.
 - 3) On the recommendation of the Nomination and Remuneration Committee and Audit Committee, the Board has re-appointed, Mr. Prashant Garg (DIN: 00049106) as the Chairman and Managing Director of the company for a further term of 5 years with effect from March 16, 2025 to March 15, 2030 (both days inclusive) subject to approval of shareholders through postal ballot. Details, as required under Regulation 30 of SEBI Listing Regulations, 2015 read with SEBI Master Circular issued vide circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, are enclosed as an **Annexure III**.



DIFFUSION ENGINEERS LIMITED

Regd. Office : T-5 & 6, M.I.D.C., Hingna Industrial Area, **Nagpur** - 440 016, Maharashtra, INDIA

[t] 091-7104-232890, 234727, 236772, CIN : L99999MH2000PLC124154

[e] info@diffusionengineers.com, [w] www.diffusionengineers.com **GSTIN : 27AAACD8008L1ZK**



- 4) Postal Ballot Notice for seeking shareholders' approval for the re-appointment of Mr. Prashant Garg (DIN: 00049106) as the Chairman and Managing Director of the company and consequential appointment of CDSL and Scrutiniser for the same. The notice of the Postal Ballot will be circulated to the shareholders and stock exchanges in due course.
- 5) Amendment to the following policies of the company in order to align them with SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024:
 1. Policy on dealing with Related Party Transactions
 2. Policy on Material Subsidiaries
 3. Nomination & Remuneration Policy
 4. Code of Business Conduct and Ethics
 5. Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Person

The abovementioned amended policies will be made available on website of company at <https://www.diffusionengineers.com/investors-relation>. This shall be treated as compliance as per Regulations 46 of the Listing Regulations.

- 6) Based on the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board has considered and approved appointment of Mr. Ramesh Kumar N as a Chief Executive Officer of the Company with effect from 13th February 2025 and a disclosure required pursuant to Regulation 30 read with Para A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular CIR/CFD/CMD/4/2015 dated 9th September 2015 are enclosed in **Annexure IV**.

The meeting of the Board of Directors of the Company commenced at 3.38 P.M. and concluded at 4.56 P.M.

You are requested to take the above information on your records.

Thanking You.
Yours faithfully,
For **Diffusion Engineers Limited**

Chanchal Jaiswal
Company Secretary and Compliance Officer
Membership No. A67136
Encl.: A/a



DIFFUSION ENGINEERS LTD
Unaudited Standalone Statement of Profit & Loss for the period ended December 31, 2024

(All amounts in rupees Million, unless otherwise stated)

Particulars	Nine months ended		Half year ended	Quarter ended		Year ended
	31st December 2024 (Unaudited)	31st December 2023 (audited)	30th September 2024 (Unaudited)	31st December 2024 (Unaudited)	30th September 2024 (Unaudited)	31 March 2024 (Audited)
Revenue						
Revenue from operations	2,151.18	1,879.60	1,415.76	735.42	743.15	2,571.26
Other income	41.17	44.03	41.53	(0.36)	14.30	71.94
Total revenue	2,192.35	1,923.63	1,457.29	735.06	757.45	2,643.19
Expenses						
Cost of materials consumed	1,203.17	917.68	812.67	390.50	362.62	1,264.98
Purchases of stock-in-trade	105.33	123.92	69.74	35.59	27.57	185.55
Changes in inventories of finished goods and work-in-progress	(153.00)	5.51	(96.46)	(56.53)	16.30	(8.01)
Manufacturing expenses	290.84	238.29	174.72	116.12	90.36	333.40
Employee benefit expenses	292.73	254.17	187.85	104.88	92.68	345.51
Finance costs	17.27	13.99	12.72	4.55	6.65	16.94
Depreciation and amortization expenses	33.38	28.95	22.84	10.54	9.99	38.55
Other expenses	138.30	124.23	79.11	59.20	44.64	147.11
Total expenses	1,928.83	1,706.74	1,263.19	664.83	651.02	2,324.85
Profit/(loss) before Exceptional Items and Tax	264.33	216.90	194.10	70.23	106.43	319.14
Exceptional Items	-	-	1.49	-	1.31	2.57
Profit/(loss) before Tax	264.33	216.90	192.60	70.23	105.12	316.58
Tax expenses						
- Current tax	48.11	45.89	40.76	7.35	22.39	67.66
(Excess)/short provision of tax relating of previous years	(1.81)	-	(1.81)	-	(1.81)	-
- Deferred tax	0.91	11.59	1.88	-0.97	(2.61)	14.97
Total tax expenses	47.21	57.48	40.83	6.37	17.97	82.63
Net profit for the period	217.12	159.42	151.77	63.86	87.15	233.95
Other comprehensive income						
(i) Items that will not be reclassified subsequently to profit or loss						
Remeasurements of the defined benefit plans	1.60	(1.56)	(4.05)	5.65	(2.02)	(1.99)
Income tax effect on above	(0.34)	0.36	0.92	-1.26	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	1.27	(1.20)	(3.12)	4.39	(1.56)	(1.54)
Total comprehensive income / (loss) for the period	218.39	158.21	148.65	68.25	85.59	232.42
Earnings per equity share						
Earnings per equity share (nominal value of share Rs. 10/-)						
Basic (In Rs) Not annualised	5.80	5.69	5.42	1.71	3.11	8.35
Diluted (In Rs) Not annualised	5.80	5.69	4.06	1.71	2.33	8.35

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



Notes to unaudited standalone financial results for quarter ended 31st December, 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 nine month ended 31st December, 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 31st December, 2024 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 31st December, 2024 and for the nine-month ended 31st December, 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 7th February, 2025. The Statutory auditors have expressed unmodified opinion on financial results for the quarter ended 31st December, 2024 and for the nine-month ended 31st December, 2024.
4. The figures for the quarter ended 31st December, 2024 are the balancing figures between the unaudited standalone figures upto the nine months ended 31st December, 2024 and unaudited, reviewed published standalone figures of quarter ended 30 September, 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. Issue Expenditure related to IPO has been adjusted against the Securities Premium and accordingly Exceptional Expenses for the quarter and half year ended 30th September, 2024 Rs. 1.31 million and Rs. 1.49 million respectively have been reversed during the quarter and nine months period ended 31st December, 2024
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
8. Diluted EPS for the quarter and half-year ended 30th September 2024, and EPS for the quarter and nine months ended 31st December 2024, have been calculated based on the total number of shares post-listing, which is 37,426,259.

For and on behalf of the Board of Directors

Diffusion Engineers Limited



Prashant Garg

Managing Director

DIN - 00049106

Place – Nagpur

Date – 7th February, 2025

PGS & Associates

Chartered Accountants

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

• Telephone No: 86577 41103 / 87790 57086 • Email ID: info@pgsca.in

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 31st December, 2024 and year to date results for the period 1st April 2024 to 31st December, 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



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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.

5. The figures for the quarter ended 31 December, 2024 are the balancing figures between the unaudited reviewed standalone figures for the nine months period ended 31st December 2024 and unaudited, reviewed published standalone figures of half ended 30th September 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. 3.64 million, total profit of Rs. 1.62 million and total comprehensive income of Rs. 1.62 million for the quarter ended 31st December, 2024 and total revenues of Rs. 3.64 million, total net loss of Rs. (0.49) million and total comprehensive income of Rs. (0.49) million for the year to date results for the period 1st April 2024 to 31st December, 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.

Attention is invited to Note No. 6 regarding Issue Expenditure related to IPO has been adjusted against the Securities Premium and accordingly Exceptional Expenses for the quarter and Half year ended 30th September, 2024 Rs. 1.31 million and Rs. 1.49 million respectively have been reversed during the quarter and nine months period ended 31st December, 2024 .



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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

P H Gandhi

Premal Gandhi
Partner

Membership Number: 111592

Place: Mumbai

Date: 7th February 2025

UDIN: 25111592BMMJEI8875



DIFFUSION ENGINEERS LTD
Unaudited Consolidated Statement of Profit & Loss for the period ended December 31, 2024

(All amounts in rupees Million, unless otherwise stated)

Particulars	Nine months ended		Half year ended	Quarter ended		Year ended
	31st December 2024 (Unaudited)	31st December 2023 (Unaudited)	30 September 2024 (Unaudited)	31st December 2024 (Unaudited)	30 September 2024 (Unaudited)	31 March 2024 (Audited)
Revenue						
Revenue from operations	2,327.47	2,042.01	1,535.50	791.98	824.67	2,781.45
Other income	42.91	44.71	42.66	0.25	14.64	74.17
Total revenue	2,370.38	2,086.72	1,578.15	792.23	839.31	2,855.62
Expenses						
Cost of materials consumed	1,163.61	934.94	831.30	332.31	382.96	1,292.27
Purchases of stock-in-trade	208.55	123.92	109.35	99.21	59.86	185.55
Changes in inventories of finished goods and work-in-progress	(159.78)	(3.17)	(107.20)	(52.58)	5.60	(9.50)
Manufacturing expenses	321.87	275.91	193.09	128.78	103.71	388.18
Employee benefit expenses	308.75	264.54	195.10	113.65	95.31	360.56
Finance costs	18.76	14.44	14.10	4.66	7.90	17.55
Depreciation and amortization expenses	39.62	33.99	25.34	14.28	12.01	45.49
Other expenses	160.72	137.72	94.82	65.90	50.41	175.70
Total expenses	2,062.10	1,782.30	1,355.90	706.20	717.76	2,455.81
Profit/(loss) before Exceptional Items and Tax	308.28	304.43	222.25	86.03	121.55	399.80
Exceptional Items	-	-	1.49	-	1.31	2.57
Profit before Tax and share of profit / (loss) of associates and joint ventures accounted for using the equity method	308.28	304.43	220.76	86.03	120.24	397.24
Share of profit / (loss) of associates and joint ventures	(19.39)	(8.78)	(14.74)	(4.64)	(12.87)	13.60
Profit before tax	288.89	295.64	206.02	81.39	107.37	410.84
Tax expenses						
- Current tax	59.55	67.84	48.16	11.39	26.71	87.86
(Excess)/short provision of tax relating of previous years	(1.81)	-	(1.81)	-0.00	(1.81)	-
- Deferred tax	0.86	11.56	1.87	-1.01	(2.61)	14.94
Total tax expenses	58.60	79.40	48.23	10.38	22.30	102.80
Net profit for the period	230.29	216.24	157.79	71.01	85.07	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	1.60	(1.56)	(4.05)	5.65	(2.02)	(1.99)
Income tax effect on above	(0.34)	0.36	0.92	-1.26	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	-	(0.23)	3.37	-3.37	3.37	(2.13)
Other comprehensive income for the period, net of tax	1.27	(0.23)	0.24	1.03	1.80	(3.67)
Total comprehensive income / (loss) for the period	231.56	214.82	158.03	73.53	86.88	304.37
Profit attributable to:						
Owners of the Parent	228.85	214.85	156.73	72.12	84.40	306.59
Non-Controlling Interest	1.45	1.39	1.06	0.38	0.68	1.45
Other Comprehensive Income attributable to:						
Owners of the Parent	1.25	-1.41	0.22	1.04	1.77	(3.63)
Non-Controlling Interest	0.01	-0.02	0.03	-0.01	0.04	(0.04)
Total Comprehensive Income attributable to:						
Owners of the Parent	230.10	213.44	156.94	73.16	86.17	302.97
Non-Controlling Interest	1.46	1.37	1.09	0.37	0.71	1.41
Earnings per equity share						
Earnings per equity share [nominal value of share Rs. 10/-]						
Basic (in Rs) not annualised	6.11	7.67	5.59	1.92	3.01	10.94
Diluted (in Rs) not annualised	6.11	7.67	4.18	1.92	2.25	10.94



Notes to unaudited consolidated financial results for quarter ended 31st December, 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 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 ended 31st December, 2024 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 31st December, 2024 and for the nine months ended 31st December, 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 7th February, 2025. The Statutory auditors have expressed unmodified opinion on financial results for the quarter ended 31st December, 2024 and for the nine months ended 31st December, 2024.
4. The figures for the quarter ended 31st December, 2024 are the balancing figures between the unaudited consolidated figures upto the nine months ended 31st December, 2024 and unaudited, reviewed published consolidated figures of quarter ended 30th September, 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. Issue Expenditure related to IPO has been adjusted against the Securities Premium and accordingly Exceptional Expenses for the quarter and half year ended 30th September, 2024 Rs. 1.31 million and Rs. 1.49 million respectively have been reversed during the quarter and nine months period ended 31st December, 2024
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.
8. Diluted EPS for the quarter and half-year ended 30th September 2024, and EPS for the quarter and nine months ended 31st December 2024, have been calculated based on the total number of shares post-listing, which is 37,426,259.

For and on behalf of the Board of Directors

Diffusion Engineers Limited



Prashant Garg

Managing Director

DIN - 00049106

Place – Nagpur

Date – 7th February, 2025

PGS & Associates

Chartered Accountants

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

• Telephone No: 86577 41103 / 87790 57086 • Email ID: info@pgsca.in

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 31st December, 2024 and year to date results for the period 1st April 2024 to 31st December, 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.



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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.
- 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 31 December, 2024 are the balancing figures between the unaudited, reviewed Consolidated nine months figures upto period ended 31 December 2024 and unaudited, reviewed published consolidated figures of half year ended 30 September, 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. 125.09 million, total net profit after tax (before consolidation adjustments) of Rs. 10.65 million and total comprehensive income (before consolidation adjustments) of Rs. 10.65 million for the quarter ended 31st December, 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



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unaudited consolidated financial results, whose interim financial results reflect total revenues (before consolidation adjustments) of Rs. 395.43 million, total net profit after tax (before consolidation adjustments) of Rs.32.55 million and total comprehensive income (before consolidation adjustments) of Rs. 32.55 million for the year to date results for the period 1st April 2024 to 31st December 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. (4.64) million and Rs. (19.39) million and total comprehensive income (before consolidation adjustments) of Rs. (4.64) million and Rs. (19.39) million, for the quarter ended 31st December 2024 and for the period from 1st April 2024 to 31st December 2024 respectively as considered in the Statement, in respect of the associates, based on their interim financial information which have been reviewed by other Auditors.

Attention is invited to Note No. 6 regarding Issue Expenditure related to IPO has been adjusted against the Securities Premium and accordingly Exceptional Expenses for the quarter and Half year ended 30th September, 2024 amounting to Rs. 1.49 million have been reversed.

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

PH Gandhi



Premal Gandhi

Partner

Membership Number: 111592

Place: Mumbai

Date: 7th February 2025

UDIN: 25111592BMMJEJ4127

Annexure II

Sr. No.	Particulars	Description
1	Name of the target entity, details in brief such as size, turnover etc.	The Company with prefix “Diffusion Engineers Middle East” or such other name as may be approved by the competent authorities of United Arab Emirates (UAE). Proposed Authorized Share Capital: USD 50,000/- Proposed Paid-Up Share Capital: USD 50,000/- Size/Turnover: Not applicable since this will be a newly incorporated Company.
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms-length”	The proposed Company would be a Wholly Owned Subsidiary Company and post incorporation will be classified as a related party.
3	Industry to which the entity being acquired belongs	Welding Consumable
4	Objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The proposed Wholly Owned Subsidiary will carry on the business related to service welding and light fabrication shop to cater to Middle Eastern markets. The business of the proposed Wholly Owned Subsidiary is not outside the main line of business of the Company.
5	Brief details of any governmental or regulatory approvals required for the acquisition	Not Applicable other than the Government Approvals as may be required from competent authorities for incorporating company in UAE.
6	Indicative time period for completion of the acquisition	Not Applicable
7	consideration- whether cash consideration or share swap or any other	Cash consideration

	form and details of the same	
8	Cost of acquisition and/or the price at which the shares are acquired	The Company will subscribe 100% stake in the proposed company.
9	Percentage of shareholding / control acquired and / or number of shares acquired	100% stake of proposed Company will be acquired
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Not Applicable since the company is proposed to be incorporated.

Annexure III

Details with respect to re-appointment of Mr. Prashant Garg (DIN: 00049106) as the Chairman and Managing Director of the company

Sr. No	Details of events that needs to be provided	Information of such event(s)
1.	Reason for change viz. appointment , re-appointment, resignation, removal, death or otherwise	Re-appointment of Mr. Prashant Garg (DIN: 00049106), as the Chairman and Managing Director of the Company, for a period of 5 (five) years with effect from 16 th March 2025 to 15 th March 2030 (both days inclusive)
2.	Date of appointment /re-appointment/ cessation (as applicable) and term of appointment /re-appointment	Date of Re-appointment with effect from 16 th March 2025 till 15 th March 2030.
3.	Brief Profile (in case of appointment)	Mr. Prashant Garg, aged 41 years, holds a bachelor's degree in engineering from Rashtrasant Tukadoji Maharaj Nagpur University and a master's degree in business administration from Said Business School, University of Oxford. He has been associated with Diffusion Engineers Limited since 2003 and has approximately 20 years of experience in the Engineering industry. He has played a key role in driving innovations in the manufacturing process and expanding the Company's product lines.
4.	Disclosure of relationships between directors (in case of appointment of a director)	Ms. Chitra Garg (DIN: 01784644) and Dr. Nitin Garg (DIN: 08558736), who serves as Non – Executive Directors of Company, are mother and brother of Mr. Prashant Garg, respectively.
5.	Information as required pursuant to BSE Circular with ref. no. LIST/COMP/14/2018-19 and the National Stock Exchange of India Limited Circular with ref. no. NSE/CML/2018/ 24, both dated 20 June 2018	Mr. Prashant Garg is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Annexure IV

Disclosure under Para A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular CIR/CFD/CMD/4/2015 dated 9th September 2015

Sr. No	Details of events that needs to be provided	Information of such event(s)
1.	Name Designation	Mr. Ramesh Kumar N Chief Executive Officer
2.	Reason for change viz. appointment,	Appointment of Mr. Ramesh Kumar N, as the Chief Executive Officer of the Company.
3.	Date of appointment and terms of appointment	Date of appointment with effect from 13 th February 2025. Tenure is 4 (Four) years and other terms and conditions are as per letter of appointment.
4.	Brief Profile (in case of appointment)	Mr. Ramesh Kumar N holds a bachelor's degree in engineering from MNNIT Allahabad University. He has over 38 years of experience in the Electrical Equipment (B2B/B2G) and Fast-Moving Electrical Goods (B2C) Manufacturing sectors, successfully driven profitable revenue growth, managed large-scale operations and led cross-functional teams. His expertise spans strategic planning, operational excellence, and business development, with a focus on innovation and sustainable business growth.
5.	Disclosure of relationships between directors (in case of appointment of a director)	No relationships with any Director of the Company.
6	Shareholding, if any in the Company	Nil