



**Date: May 15, 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. Thursday, May 15, 2025**

**Ref: Our Intimation Letter dated May 12, 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. **Thursday, May 15, 2025**, *inter alia*, considered and approved the following matters:

1. The Audited Standalone and Consolidated Financial Results/Statements of the Company along with the Statutory Auditors' report thereon for the quarter and Financial Year Ended March 31, 2025 (Enclosed hereunder as an Annexure 1 and 2).
2. The Board has recommended Final Dividend of Rs. 1.50/- (One Rupees Fifty Paise Only) per share on the Equity Shares of the Company (i.e. dividend @ 15.00% per equity share having face value of Rs. 10/- each), for the financial year 2024-25, subject to approval of the shareholders at the ensuing Annual General Meeting. The dividend, if approved by the members of the Company at the ensuing Annual General Meeting ("AGM"), will be paid within 30 days from the date of AGM.
3. The 43<sup>rd</sup> Annual General Meeting of the Members of the Company will be held on Tuesday, July 22, 2025 through Video Conferencing (VC) or Other Audio Visual Means (OAVM) as per the relaxation given by Ministry of Corporate Affairs vide General Circular No. 09/2024 dated September 19, 2024.
4. The Board has fixed 10<sup>th</sup> July 2025 as the record date and the Register of Members and Share Transfer books of the Company will remain closed from 11<sup>th</sup> July 2025 to 22<sup>nd</sup> July 2025 (both days inclusive) for the purpose of the Annual General Meeting & Final Dividend, if approved by the Members.
5. Appointed M/s Chitaley Mehta & Associates, Chartered Accountants (Firm Registration Number - 127021W) as an Internal Auditor of the Company for financial year 2025-26 to conduct the internal audit of the Company. Brief Profile of M/s Chitaley Mehta & Associates is enclosed hereto in Annexure 3.



**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



6. Appointed M/s A. B. Verma & Co., Cost Accountants, (Firm Registration Number – 102527)), as Cost Auditor of Company for the Financial Year 2025-26. Brief Profile of M/s A. B. Verma & Co is enclosed hereto in Annexure 4.
7. Approved the proposal for sale of 2.06% stake of its associate company, LSN Diffusion Limited. The details pertaining to same is enclosed herewith as “Annexure – 5”.
8. The introduction of ‘Diffusion Engineers Limited – Employee Stock Option Scheme 2025’ (“ESOP 2025” or “Scheme”) and implementation through an irrevocable employee welfare trust namely ‘Diffusion ESOP Trust’ (“Trust”) to be set-up by the Company, pursuant to the provisions of Section 62(1)(b), other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, and the relevant provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (“Applicable Laws”), subject to the approval of shareholders of the Company by way of special resolution. The details pertaining to the same, is enclosed herewith as “Annexure – 6”.
9. The Board of Directors have decided to seek consent of Members of the Company by way of Special Resolution through Postal Ballot process for approval of ESOP Scheme, approved Notice and matters relating thereto and appointed Mr. Amit Rajkotiya, Practicing Company Secretary, as the scrutinizer to conduct the Postal Ballot process in fair and transparent manner.

The Notice of Postal Ballot shall be circulated in due course of time.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 and SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 are given in Annexure 3 to 6 to this letter.

The above information will also be available on the website of the Company at <https://www.diffusionengineers.com/investors-relation>

The meeting of the Board of Directors of the Company commenced at 03:10 P.M. and concluded at 6:18 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 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](mailto:info@diffusionengineers.com), [w] [www.diffusionengineers.com](http://www.diffusionengineers.com) GSTIN : 27AAACD8008L1ZK

# PGS & Associates

## Chartered Accountants

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

• Telephone No: 86577 41103 / 87790 57086 • Email ID: [info@pgsca.in](mailto:info@pgsca.in)

---

### Independent Auditor's Report on Audit of Annual Financial Results and review of Quarterly Financial results of Diffusion Engineers Limited, pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors of

**Diffusion Engineers Limited**

#### Opinion and Conclusion

We have (a) audited Financial Results for the year ended March 31, 2025 and (b) audited financial results for the quarter ended March 31, 2025 both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31,2025" of Diffusion Engineers Limited, being submitted by the company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

#### (a) Opinion on Annual Financial Results

- i. are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the company for the year then ended.

#### (b) Conclusion on audited Financial Results for the Quarter ended March31, 2025

With respect to financial results for Quarter ended March 31,2025, based on our review conducted as stated in paragraph (b) of Auditors responsibilities section below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2025, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



# PGS & Associates

## Chartered Accountants

---

### **Basis for Opinion on the Audited Financial Results for the year ended March 31, 2025**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 (the "Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2025 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion

### **Management's Responsibilities for the Statement**

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the quarter and year ended March 31, 2025 has been compiled from the related audited financial statements, This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2025 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are 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



# PGS & Associates

## Chartered Accountants

---

the Board of Directors 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 financial reporting process of the Company.

### **Auditor's Responsibilities**

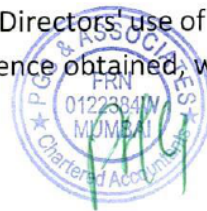
#### **Audit of the Financial Results for the quarter and year ended March 31, 2025**

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2025 as a whole is 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 this Financial Results.

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 Annual Financial Results, 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material



# PGS & Associates

## Chartered Accountants

---

uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement 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 Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

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 the 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.



# PGS & Associates

Chartered Accountants

---

## Other Matter

The Statement includes the results for the Quarter ended March 31, 2025 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

For PGS & Associates

Chartered Accountants

Firm Registration Number: 122384W

UDIN: 25111592BMMJFK4065


**Premal Gandhi**

Partner

Membership Number: 111592

Place: Mumbai

Date: 15<sup>th</sup> May 2025

# Annex - 1

## DIFFUSION ENGINEERS LTD Standalone Statement of Assets and Liabilities as at March 31, 2025

(All amounts in rupees Million, unless otherwise stated)

| Particulars  | Note No. | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|--|----------|-----------------------------|-----------------------------|
| <b>ASSETS</b>  |          |                             |                             |
| <b>(1) Non-Current Assets</b>  |          |                             |                             |
| (a) Property, plant and equipment  | 3        | 950.79                      | 877.93                      |
| (b) Capital work-in-progress   | 3 (a)    | 31.44                       | 11.05                       |
| (c) Intangible assets  | 4        | 4.83                        | 4.25                        |
| (d) Financial assets   |          |                             |                             |
| (i) Investments  | 5        | 360.36                      | 295.38                      |
| (ii) Other financial assets  | 6        | 90.16                       | 51.76                       |
| <b>Total non-current assets</b>  |          | <b>1,437.58</b>             | <b>1,240.38</b>             |
| <b>(2) Current Assets</b>  |          |                             |                             |
| (a) Inventories  | 7        | 621.85                      | 474.02                      |
| (b) Financial Assets   |          |                             |                             |
| (i) Trade receivables  | 8        | 863.52                      | 646.80                      |
| (ii) Cash and cash equivalents   | 9        | 1,184.50                    | 25.53                       |
| (iii) Other bank balances  | 10       | -                           | -                           |
| (iv) Loans and advances  | 11       | 112.53                      | 154.43                      |
| (v) Others financial assets  | 12       | 8.61                        | 10.25                       |
| (c) Other current assets   | 13       | 62.43                       | 45.54                       |
| <b>Total current assets</b>  |          | <b>2,853.44</b>             | <b>1,356.57</b>             |
| <b>Total Assets</b>  |          | <b>4,291.02</b>             | <b>2,596.96</b>             |
| <b>EQUITY AND LIABILITIES</b>  |          |                             |                             |
| <b>Equity</b>  |          |                             |                             |
| (a) Equity share capital   | 14       | 374.26                      | 280.21                      |
| (b) Other equity   | 15       | 3,176.15                    | 1,502.98                    |
| <b>Total equity</b>  |          | <b>3,550.42</b>             | <b>1,783.20</b>             |
| <b>Liabilities</b>   |          |                             |                             |
| <b>Non-current liabilities</b>   |          |                             |                             |
| (a) Financial liabilities  |          |                             |                             |
| (i) Borrowings   | 16       | -                           | -                           |
| (ii) Other financial liabilities   | 17       | 4.73                        | 4.72                        |
| (b) Deferred tax liabilities (net)   | 18       | 56.89                       | 53.34                       |
| <b>Total non-current liabilities</b>   |          | <b>61.62</b>                | <b>58.06</b>                |
| <b>Current liabilities</b>   |          |                             |                             |
| (a) Financial liabilities  |          |                             |                             |
| (i) Borrowings   | 19       | 216.30                      | 337.08                      |
| (ii) Trade payables  | 20       |                             |                             |
| Total outstanding dues of micro, small and medium enterprises                                  |          | 27.33                       | 109.76                      |
| Total outstanding dues of creditors other than micro enterprises, small and medium enterprises |          | 292.03                      | 199.08                      |
| (iii) Other financial liabilities  | 21       | 13.60                       | 18.64                       |
| (b) Provisions   | 22       | 4.23                        | 3.61                        |
| (c) Other current liabilities  | 23       | 113.53                      | 81.65                       |
| (d) Current tax liabilities (net)  | 24       | 11.97                       | 5.89                        |
| <b>Total current liabilities</b>   |          | <b>678.99</b>               | <b>755.70</b>               |
| <b>Total Equity and liabilities</b>  |          | <b>4,291.02</b>             | <b>2,596.96</b>             |

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

1-45

As per our report of even date

**For PGS & Associates**  
Chartered Accountants  
F.R.N. : 0122384W

*PH Gandhi*

**PREMAL H GANDHI**  
Partner  
Membership Number: 111592  
Place : Mumbai  
UDIN **25111592BMMJFK4065**  
Date : 15-05-2025

*Ramesh Kumar Narasinghban*  
**RAMESH KUMAR NARASINGHBHAN**  
Chief Executive Officer  
Place : Nagpur  
Date : 15-05-2025

For and on behalf of the Board of Directors of  
**Diffusion Engineers Limited**

*Prashant N. Garg*  
**PRASHANT N. GARG**  
Chairman & Managing Director  
DIN :- 00049106  
Place : Nagpur  
Date : 15-05-2025

*Abhishek Mehta*  
**ABHISHEK MEHTA**  
Chief Financial Officer  
Place : Nagpur  
Date : 15-05-2025

*Nitin N. Garg*  
**NITIN N GARG**  
Director  
DIN :- 08558736  
Place : Nagpur  
Date : 15-05-2025

*Chanchal Jaiswal*  
**CHANCHAL JAISWAL**  
Company Secretary  
Place : Nagpur  
Date : 15-05-2025



**DIFFUSION ENGINEERS LTD**  
Standalone Statement of Profit & Loss for the period ended March 31, 2025

(All amounts in rupees Million, un

| Particulars  | Note No. | Quarter Ended                |                              |                                   | Year ended                 |                            |
|--|----------|------------------------------|------------------------------|-----------------------------------|----------------------------|----------------------------|
|  |          | 31st march 2025<br>(Audited) | 31st march 2024<br>(Audited) | 31st December 2024<br>(Unaudited) | 31 March 2025<br>(Audited) | 31 March 2024<br>(Audited) |
| <b>Revenue</b>   |          |                              |                              |                                   |                            |                            |
| Revenue from operations  | 25       | 1,008.89                     | 691.65                       | 735.42                            | 3,160.07                   | 2,571.26                   |
| Other income   | 26       | 49.61                        | 27.91                        | -0.36                             | 90.79                      | 71.94                      |
| <b>Total revenue</b>   |          | <b>1,058.50</b>              | <b>719.56</b>                | <b>735.06</b>                     | <b>3,250.86</b>            | <b>2,643.19</b>            |
| <b>Expenses</b>  |          |                              |                              |                                   |                            |                            |
| Cost of materials consumed   | 27       | 477.59                       | 347.31                       | 390.50                            | 1,680.76                   | 1,264.98                   |
| Purchases of stock-in-trade  |          | 25.34                        | 61.63                        | 35.59                             | 130.67                     | 185.55                     |
| Changes in inventories of finished goods and work-in-progress                              | 28       | 65.09                        | -13.52                       | -56.53                            | (87.90)                    | (8.01)                     |
| Manufacturing expenses   | 29       | 137.53                       | 95.12                        | 116.12                            | 428.37                     | 333.40                     |
| Employee benefit expenses  | 30       | 106.42                       | 91.35                        | 104.88                            | 399.15                     | 345.51                     |
| Finance costs  | 31       | 4.68                         | 2.95                         | 4.55                              | 21.95                      | 16.94                      |
| Depreciation and amortization expenses   | 3 & 4    | 11.01                        | 9.60                         | 10.54                             | 44.39                      | 38.55                      |
| Other expenses   | 32       | 61.90                        | 22.88                        | 59.20                             | 200.20                     | 147.11                     |
| <b>Total expenses</b>  |          | <b>889.56</b>                | <b>617.31</b>                | <b>664.83</b>                     | <b>2,817.59</b>            | <b>2,324.05</b>            |
| <b>Profit/(loss) before Exceptional Items and Tax</b>                                      |          | <b>168.94</b>                | <b>102.25</b>                | <b>70.23</b>                      | <b>433.27</b>              | <b>319.14</b>              |
| Exceptional Items  | 33       | -                            | 2.57                         | -                                 | -                          | 2.57                       |
| <b>Profit/ (loss) before Tax</b>   |          | <b>168.94</b>                | <b>99.68</b>                 | <b>70.23</b>                      | <b>433.27</b>              | <b>316.58</b>              |
| <b>Tax expenses</b>  |          |                              |                              |                                   |                            |                            |
| - Current tax  | 34       | 45.89                        | 21.77                        | 7.35                              | 94.00                      | 67.66                      |
| (Excess)/short provision of tax relating of previous years                                 |          | -                            | -                            | -                                 | (1.81)                     | -                          |
| - Deferred tax   |          | 2.65                         | 3.38                         | -0.97                             | 3.55                       | 14.97                      |
| <b>Total tax expenses</b>  |          | <b>48.54</b>                 | <b>25.15</b>                 | <b>6.37</b>                       | <b>95.74</b>               | <b>82.63</b>               |
| <b>Net profit for the year</b>   |          | <b>120.40</b>                | <b>74.54</b>                 | <b>63.86</b>                      | <b>337.53</b>              | <b>233.95</b>              |
| <b>Other comprehensive income</b>  |          |                              |                              |                                   |                            |                            |
| <b>(i) Items that will not be reclassified subsequently to profit or loss</b>              |          |                              |                              |                                   |                            |                            |
| Remeasurements of the defined benefit plans  |          | -3.41                        | -0.43                        | 5.65                              | (1.80)                     | (1.99)                     |
| Income tax effect on above   |          | 0.75                         | 0.10                         | -1.26                             | 0.41                       | 0.45                       |
| <b>(ii) Items that will be reclassified to profit or loss in subsequent periods</b>        |          |                              |                              |                                   |                            |                            |
| Gain / (Loss) on Items designated as Fair Value Through Other Comprehensive Income         |          | -                            | -                            | -                                 | -                          | -                          |
| Income tax effect on above   |          | -                            | -                            | -                                 | -                          | -                          |
| <b>Other comprehensive income for the year, net of tax</b>                                 |          | <b>(2.66)</b>                | <b>-0.33</b>                 | <b>4.39</b>                       | <b>(1.39)</b>              | <b>(1.54)</b>              |
| <b>Total comprehensive income / (loss) for the period</b>                                  |          | <b>117.74</b>                | <b>74.20</b>                 | <b>68.25</b>                      | <b>336.14</b>              | <b>232.42</b>              |
| <b>Earnings per equity share</b>   | 35       |                              |                              |                                   |                            |                            |
| <b>Earnings per equity share [nominal value of share Rs. 10/-]</b>                         |          |                              |                              |                                   |                            |                            |
| Basic  |          | 3.22                         | 2.66                         | 1.71                              | 9.02                       | 8.35                       |
| Diluted  |          | 3.22                         | 2.66                         | 1.71                              | 9.02                       | 6.25                       |
| <b>The accompanying notes form an integral part of the standalone financial statements</b> | 1-45     |                              |                              |                                   |                            |                            |

As per our report of even date  
For PGS & Associates  
Chartered Accountants  
F.R.N. : 0122384W

**PREMAL H GANDHI**  
Partner  
Membership Number: 111592  
Place : Mumbai  
UDIN 25111592BMMJFK4065  
Date :15-05-2025

**RAMESH KUMAR NARASINGHBHAN**  
Chief Executive Officer  
Place : Nagpur  
Date :15-05-2025

For and on behalf of the Board of Directors of  
Diffusion Engineers Limited

**PRASHANT N. GARG**  
Chairman & Managing Director  
DIN :- 00049106  
Place : Nagpur  
Date :15-05-2025

**ABHISHEK MEHTA**  
Chief Financial Officer  
Place : Nagpur  
Date :15-05-2025

**NITIN N GARG**  
Director  
DIN :- 08558736  
Place : Nagpur  
Date :15-05-2025

**CHANCHAL JAISWAL**  
Company Secretary  
Place : Nagpur  
Date :15-05-2025

**DIFFUSION ENGINEERS LTD**

**Standaone Cash Flow Statement for the Period ended March 31, 2025**

*(All amounts in rupees Million, unless otherwise stated)*

*(All amounts in rupees Million, unless otherwise stated)*

| Particulars   | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| <b>A Cash flows from operating activities</b>                                 |                                     |                                     |
| Profit/(loss) before tax  | 433.27                              | 316.58                              |
| <b>Adjustments:</b>   |                                     |                                     |
| Depreciation and amortisation   | 44.39                               | 38.55                               |
| Bad Debts & Write Off   | 8.50                                | 8.42                                |
| Gain / (loss) on remeasurements of the defined employee benefit plans         | (1.39)                              | (1.54)                              |
| Net (gain)/loss on financial instruments at fair value through profit or loss | 8.02                                | (29.34)                             |
| Interest and Finance Charges  | 21.95                               | 16.94                               |
| Interest Income   | (40.95)                             | (4.00)                              |
| Loss / (Surplus) on Sale of Fixed Assets / Investments (Net)                  | (36.61)                             | (20.41)                             |
| Exceptional Item  | -                                   | 2.57                                |
| <b>Operating cash flows before working capital changes and other assets</b>   | <b>437.18</b>                       | <b>327.77</b>                       |
| (Increase) / decrease in inventories  | (147.83)                            | (1.53)                              |
| Decrease/ (increase) in Trade and Other Receivables                           | (174.06)                            | (13.25)                             |
| (Decrease) / increase in other current assets                                 | (16.86)                             | 5.21                                |
| (Decrease) / increase in Trade and Other Payables                             | 5.47                                | 70.45                               |
| (Decrease) / increase in other current liabilities                            | 31.87                               | (9.41)                              |
| (Decrease) / increase in other current provisions                             | 0.63                                | 2.05                                |
| Cash generated from operations  | 136.41                              | 381.31                              |
| Income taxes refund / (paid), net   | (86.11)                             | (65.62)                             |
| <b>Net Cash Flow From/(Used In) Operating Activities (A)</b>                  | <b>50.30</b>                        | <b>315.68</b>                       |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                  |                                     |                                     |
| Purchase/ Sale of property, plant and equipment                               | (117.25)                            | (310.76)                            |
| Purchase/ sale of intangible assets   | (0.58)                              | (1.70)                              |
| Purchase of CWIP  | (20.39)                             | 7.22                                |
| Non Current investment  | (72.99)                             | (53.70)                             |
| Interest Income   | 40.95                               | 4.00                                |
| Advance for capital   | (46.02)                             | -                                   |
| Profit/(loss) on sale of Investments  | 36.61                               | 20.41                               |
| <b>Net Cash Flow From/(Used In) Investing Activities (B)</b>                  | <b>(179.67)</b>                     | <b>(334.54)</b>                     |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                  |                                     |                                     |
| Proceeds from long-term borrowings  | -                                   | (16.69)                             |
| Proceeds from short-term borrowings(Net)                                      | (120.78)                            | (122.21)                            |
| Finance Cost paid   | (21.95)                             | (16.94)                             |
| Dividend Paid   | (7.01)                              | (18.22)                             |
| Proceeds from Issue   | 1,579.64                            | 202.37                              |
| Issue Expenses  | (141.56)                            | (2.57)                              |
| <b>Net Cash Flow From/(Used In) Financing Activities (C)</b>                  | <b>1,288.35</b>                     | <b>25.74</b>                        |
| Net increase / decrease in cash and cash equivalents                          | 1,158.97                            | 6.88                                |
| Cash and cash equivalents at the beginning of the period                      | 25.53                               | 18.65                               |
| <b>Cash &amp; Cash Equivalents at the End of the Period(A+B+C)</b>            | <b>1,184.50</b>                     | <b>25.53</b>                        |

As per our report of even date

**For PGS & Associates**

Chartered Accountants

F.R.N. : 0122384W

*P.H. Gandhi*

**PREMAL H GANDHI**

Partner

Membership Number: 111592

Place : Mumbai

UDIN **25111592BMMJFK4065**

Date :15-05-2025

*Ramesh Kumar Narasinghban*

**RAMESH KUMAR NARASINGHBHAN**

Chief Executive Officer

Place : Nagpur

Date :15-05-2025



For and on behalf of the Board of Directors of

**Diffusion Engineers Limited**

*Prashant N. Garg*

**PRASHANT N. GARG**

Chairman & Managing Director

DIN :- 00049106

Place : Nagpur

Date :15-05-2025

*Nitin N. Garg*

**NITIN N. GARG**

Director

DIN :- 08558736

Place : Nagpur

Date :15-05-2025

*Abhishek Mehta*

**ABHISHEK MEHTA**

Chief Financial Officer

Place : Nagpur

Date :15-05-2025

*Chanchal Jaishwal*

**CHANCHAL JAISHWAL**

Company Secretary

Place : Nagpur

Date :15-05-2025

**Notes to audited standalone financial results for quarter and year ended 31st March, 2025**

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 25<sup>th</sup> September 2024 and subsequently allotment was done on 1<sup>st</sup> October 2024.
2. These audited 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 audited financial results for the quarter ended 31st March 2025 and for the year ended 31<sup>st</sup> March 2025 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 14<sup>th</sup> May 2025 and 15<sup>th</sup> May 2025 respectively. The Statutory auditors have expressed unmodified opinion on financial results for the quarter ended 31st March 2025 and for the year ended 31<sup>st</sup> March 2025
4. The Audited Financial Results for the quarter ended March 31, 2025 is the balancing figures between audited figures in respect of the full financial year and the audited year to date figures of the third quarter of the respective period ended 31<sup>st</sup> December, 2024.

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

5. As a result of the Management review mechanism, the Company has one segment "Welding Fabrication Technology and Engineering" which includes Manufacturing, Trading and Job Work.



6. The Board of Directors has recommended dividend of 15%, subject to the approval of shareholder scheme.
7. The figures of previous periods / year are reclassified, regrouped and rearranged wherever necessary so as to make them comparable with current period's figures

**For and on behalf of the Board of Directors**

**Diffusion Engineers Limited**



Prashant Garg

Managing Director

DIN - 00049106

Place – Nagpur

Date – 15<sup>th</sup> May 2025

# PGS & Associates

## Chartered Accountants

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

• Telephone No: 86577 41103 / 87790 57086 • Email ID: [info@pgsca.in](mailto:info@pgsca.in)

---

**Independent Auditor's Report on the Quarterly and Year to date Consolidated Financial Results of Quarterly Financial results of Diffusion Engineers Limited, pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended**

To,  
The Board of Directors,  
**Diffusion Engineers Limited**

### Opinion and Conclusion

1. We have audited the accompanying consolidated annual financial results of Diffusion Engineers Limited (the "Holding Company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the group") and its associate for the quarter and year ended March 31, 2025 attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial results of the subsidiaries and associate, as referred to in paragraph 12, the aforesaid consolidated financial results:
  - (i) include the annual financial results of the entities listed in Annexure 1;
  - (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group and its associate for the quarter and year ended March 31, 2025.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the



# PGS & Associates

## Chartered Accountants

---

Consolidated financial results" section of our report. We are Independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 ("the Act") 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 evidences obtained by us and the other auditors in terms of their reports referred to in the paragraph 12 of "Other Matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibilities for the Consolidated Financial Results**

The consolidated financial results which is the responsibility of the Holding Company's Board of Director's has been prepared on the basis of consolidated annual financial results. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that gives a true and fair view of consolidated net profit and other comprehensive income, and other financial information of the Group and its associate in accordance with the accounting principles generally accepted in India, including the IND-AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in Compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the consolidated financial results. Further, in terms of the provision of the Act, the respective Board of Directors/management of the companies included in the Group and its associate, are responsible for maintenance of adequate accounting records in accordance with the provisions of the act, for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement 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 financial results, that gives a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.



# PGS & Associates

## Chartered Accountants

---

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associate, are responsible for assessing the ability of their respective companies, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate, are responsible for overseeing the financial reporting process of their respective Companies.

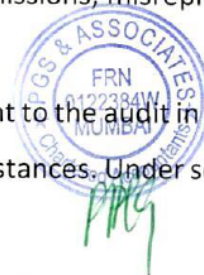
### **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the consolidated financial results for the year ended 31<sup>st</sup> March 2025 as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this consolidated financial results.

As part of an audit in accordance with the Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the Audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i)



# PGS & Associates

## Chartered Accountants

---

of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group and its associate, 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 consolidated financial results 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial results of the entities within the Group and its associate to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results, of which we are the independent auditors. For the other entities included in the consolidated financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors,



# PGS & Associates

## Chartered Accountants

---

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.

### Other Matters

We also perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

- a) We did not audit the annual financial results of six subsidiaries included in the consolidated financial results, whose financial results before consolidation adjustments reflects total assets of Rs. 330.67 millions as at March 31, 2025, total revenue of Rs.131.40 millions and Rs. 525.10 millions, total net profit after tax of Rs. 130.11 millions and Rs.360.40 millions and total comprehensive income of Rs. 128.95 millions and Rs. 360.91 millions for the quarter and the year ended March 31, 2025 respectively, and net cash outflow of Rs. 31.26 millions for the year ended March 31, 2025. Our opinion in so far as it relates to the amount and disclosures included in respect of these subsidiaries is based solely on the audit report of such other auditors furnished to us by the management of the Holding Company, and the procedure performed by us are as stated in the paragraph above.
- b) The consolidated financial statements also include the Group's share of net loss of Rs. 19.51 millions for the year ended 31st March, 2025, as considered in the consolidated financial statements, in respect of associate, whose financial statements have not been audited by us. These Standalone financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The Statement includes the results of the following entities:



# PGS & Associates

## Chartered Accountants

---

### 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:

- i) Mecdiff Sdn Bhd
- ii) LSN Diffusion Ltd

Our opinion on the consolidated financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by one of the Directors of the Holding Company. The figures for the quarter ended 31<sup>st</sup> March 2025, in each of the respective financial year are the balancing figure between the audited consolidated figures in respect of the full financial year and the published reviewed year-to-date consolidated figure up to the third quarter of the respective financial year.

Our opinion is not modified in respect of this matter.

**For PGS & Associates**

**Chartered Accountants**

**Firm Registration Number: 122384W**

**UDIN: 25111592BMMJFM1354**

*Premal Gandhi*



**Premal Gandhi**

**Partner**

**Membership Number: 111592**

**Place: Mumbai**

**Date: 15<sup>th</sup> February 2025**

**DIFFUSION ENGINEERS LTD**  
Consolidated Statement of Asset and Liabilities as at March 31, 2025

(All amounts in rupees Million, unless otherwise stated)

| Particulars  | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|--|----------|----------------------|----------------------|
| <b>ASSETS</b>  |          |                      |                      |
| <b>(1) Non-current assets</b>  |          |                      |                      |
| (a) Property, plant and equipment  | 3        | 974.00               | 905.71               |
| (b) Capital work-in-progress   | 3 (a)    | 31.44                | 11.05                |
| (c) Intangible assets  | 4        | 4.83                 | 4.25                 |
| (d) Financial assets   |          |                      |                      |
| (i) Investments  | 5        | 346.01               | 291.95               |
| (ii) Other financial assets  | 6        | 90.46                | 62.09                |
| <b>Total non-current assets</b>  |          | <b>1,446.74</b>      | <b>1,275.05</b>      |
| <b>(2) Current Assets</b>  |          |                      |                      |
| (a) Inventories  | 7        | 682.73               | 532.12               |
| (b) Financial Assets   |          |                      |                      |
| (i) Trade receivables  | 8        | 848.01               | 666.47               |
| (ii) Cash and cash equivalents   | 9        | 1,270.54             | 78.13                |
| (iii) Other bank balances  | 10       | -                    | -                    |
| (iv) Loans and advances  | 11       | 117.55               | 154.84               |
| (v) Others financial assets  | 12       | 10.69                | 11.58                |
| (c) Other current assets   | 13       | 68.17                | 37.05                |
| <b>Total current assets</b>  |          | <b>2,997.69</b>      | <b>1,480.19</b>      |
| <b>Total Assets</b>  |          | <b>4,444.42</b>      | <b>2,755.24</b>      |
| <b>EQUITY AND LIABILITIES</b>  |          |                      |                      |
| <b>Equity</b>  |          |                      |                      |
| (a) Equity share capital   | 14       | 374.26               | 280.21               |
| (b) Other equity   | 15       | 3,314.51             | 1,626.84             |
| <b>Equity attributable to equity holders of the Parent</b>                                     |          | <b>3,688.77</b>      | <b>1,907.05</b>      |
| (c) Non-controlling interests  | 15       | 4.46                 | 3.14                 |
| <b>Total equity</b>  |          | <b>3,693.24</b>      | <b>1,910.19</b>      |
| <b>Liabilities</b>   |          |                      |                      |
| <b>Non-current liabilities</b>   |          |                      |                      |
| (a) Financial liabilities  |          |                      |                      |
| (i) Borrowings   | 16       | -                    | -                    |
| (ii) Other financial liabilities   | 17       | 10.28                | 9.99                 |
| (b) Provisions   |          |                      |                      |
| (c) Deferred tax liabilities (net)   | 18       | 55.94                | 52.43                |
| <b>Total non-current liabilities</b>   |          | <b>66.22</b>         | <b>62.43</b>         |
| <b>Current liabilities</b>   |          |                      |                      |
| (a) Financial liabilities  |          |                      |                      |
| (i) Borrowings   | 19       | 232.14               | 344.35               |
| (ii) Trade payables  | 20       |                      |                      |
| Total outstanding dues of micro, small and medium enterprises                                  |          | 28.83                | 111.59               |
| Total outstanding dues of creditors other than micro enterprises, small and medium enterprises |          | 256.08               | 197.56               |
| (iii) Other financial liabilities  | 21       | 8.99                 | 22.23                |
| (b) Provisions   | 22       | 21.49                | 8.66                 |
| (c) Other current liabilities  | 23       | 137.43               | 98.24                |
| <b>Total current liabilities</b>   |          | <b>684.96</b>        | <b>782.63</b>        |
| <b>Total Equity and liabilities</b>  |          | <b>4,444.42</b>      | <b>2,755.24</b>      |

1-46

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

As per our report of even date

For PGS &amp; Associates

Chartered Accountants

F.R.N. : 0122384W

*PREMAL H GANDHI*

PREMAL H GANDHI

Partner

Membership Number: 111592

Place : Mumbai

UDIN - 25111592BMM19JF111354

Date : 15-05-2025

RAMESH KUMAR NARASINGHBHAN

Chief Executive Officer

Place : Nagpur

Date : 15-05-2025

For and on behalf of the Board of Directors of  
Diffusion Engineers Limited

*Prashant N. Garg*

PRASHANT N. GARG

Chairman &amp; Managing Director

DIN : 00049106

Place : Nagpur

Date : 15-05-2025

ABHISHEK MEHTA

Chief Financial Officer

Place : Nagpur

Date : 15-05-2025

*Nitin N. Garg*

NITIN N GARG

Director

DIN : 08558736

Place : Nagpur

Date : 15-05-2025

CHANCHAL JAISWAL

Company Secretary

Place : Nagpur

Date : 15-05-2025

**DIFFUSION ENGINEERS LTD**  
Consolidated Statement of Profit & Loss for the period ended March 31, 2025

*(All amounts in rupees Million, unless otherwise stated)*

| Particulars   | Note No. | Quarter Ended                |                              |                                   | Year ended              |                         |
|---|----------|------------------------------|------------------------------|-----------------------------------|-------------------------|-------------------------|
|   |          | 31st march 2025<br>(Audited) | 31st march 2024<br>(Audited) | 31st December 2024<br>(Unaudited) | 31 March 2025 (audited) | 31 March 2024 (audited) |
| <b>Revenue</b>  |          |                              |                              |                                   |                         |                         |
| I Revenue from operations   | 24       | 1,024.48                     | 739.44                       | 791.98                            | 3,351.96                | 2,781.45                |
| II Other income   | 25       | 50.36                        | 29.46                        | 0.25                              | 93.27                   | 74.17                   |
| <b>III Total revenue (I+II)</b>   |          | <b>1,074.84</b>              | <b>768.90</b>                | <b>792.23</b>                     | <b>3,445.23</b>         | <b>2,855.62</b>         |
| <b>IV Expenses</b>  |          |                              |                              |                                   |                         |                         |
| Cost of materials consumed  | 26       | 491.62                       | 357.33                       | 332.31                            | 1,655.23                | 1,292.27                |
| Purchases of stock-in-trade   | 27       | 3.06                         | 61.63                        | 99.21                             | 211.61                  | 185.55                  |
| Changes in inventories of finished goods and work-in-progress   | 28       | 52.57                        | -6.33                        | -52.58                            | (107.21)                | (9.50)                  |
| Manufacturing expenses  | 29       | 147.06                       | 112.27                       | 128.78                            | 468.93                  | 388.18                  |
| Employee benefit expenses   | 30       | 110.27                       | 96.02                        | 113.65                            | 419.02                  | 360.56                  |
| Finance costs   | 31       | 3.99                         | 3.12                         | 4.66                              | 22.74                   | 17.55                   |
| Depreciation and amortization expenses  | 3 & 4    | 13.13                        | 11.50                        | 14.28                             | 52.75                   | 45.49                   |
| Other expenses  | 32       | 72.89                        | 37.99                        | 65.90                             | 233.61                  | 175.70                  |
| <b>Total expenses (IV)</b>  |          | <b>894.59</b>                | <b>673.52</b>                | <b>706.20</b>                     | <b>2,956.68</b>         | <b>2,455.81</b>         |
| <b>V Profit/(loss) before Exceptional Items and Tax (III-IV)</b>  |          | <b>180.25</b>                | <b>95.38</b>                 | <b>86.03</b>                      | <b>488.55</b>           | <b>399.81</b>           |
| VI Exceptional Items  | 33       |                              | 2.57                         |                                   | -                       | 2.57                    |
| <b>VII Profit before Tax and share of profit / (loss) of associates and joint ventures accounted for using the equity method (V-VI)</b> |          | <b>180.25</b>                | <b>92.81</b>                 | <b>86.03</b>                      | <b>488.55</b>           | <b>397.24</b>           |
| VIII Share of profit / (loss) of associates and joint ventures  |          | -0.12                        | 22.38                        | -4.64                             | -19.51                  | 13.60                   |
| <b>IX Profit before tax (VII+VIII)</b>  |          | <b>180.13</b>                | <b>115.19</b>                | <b>81.39</b>                      | <b>469.04</b>           | <b>410.84</b>           |
| <b>X Tax expenses</b>   |          |                              |                              |                                   |                         |                         |
| - Current tax   |          | 47.38                        | 20.01                        | 11.39                             | 106.93                  | 87.86                   |
| (Excess)/short provision of tax relating of previous years  |          | 0.00                         | -                            | -0.00                             | -1.81                   | -                       |
| - Deferred tax  |          | 2.64                         | 3.38                         | -1.01                             | 3.50                    | 14.94                   |
| <b>Total tax expenses</b>   |          | <b>50.03</b>                 | <b>23.40</b>                 | <b>10.38</b>                      | <b>108.63</b>           | <b>102.80</b>           |
| <b>XI Net profit for the year (IX-X)</b>  |          | <b>130.10</b>                | <b>91.80</b>                 | <b>71.01</b>                      | <b>360.41</b>           | <b>308.04</b>           |
| <b>XII Other comprehensive income</b>   |          |                              |                              |                                   |                         |                         |
| <i>(i) Items that will not be reclassified subsequently to profit or loss</i>   |          |                              |                              |                                   |                         |                         |
| Remeasurements of the defined benefit plans   |          | -3.41                        | -0.43                        | 5.65                              | -1.80                   | -1.99                   |
| Income tax effect on above  |          | 0.75                         | 0.10                         | -1.26                             | 0.41                    | 0.45                    |
| <i>(ii) Items that will be reclassified to profit or loss in subsequent periods</i>   |          |                              |                              |                                   |                         |                         |
| Foreign currency translation of foreign operations  |          | 1.90                         | -1.90                        | -3.37                             | 1.90                    | -2.13                   |
| <b>Other comprehensive income for the year, net of tax</b>  |          | <b>(0.76)</b>                | <b>(2.24)</b>                | <b>1.03</b>                       | <b>0.51</b>             | <b>(3.67)</b>           |
| <b>XIII Total comprehensive income / (loss) for the period (XI+XII)</b>   |          | <b>129.35</b>                | <b>89.56</b>                 | <b>73.53</b>                      | <b>360.92</b>           | <b>304.38</b>           |
| <b>Profit attributable to:</b>  |          |                              |                              |                                   |                         |                         |
| Owners of the Parent  |          | 130.24                       | 91.74                        | 72.12                             | 359.09                  | 306.59                  |
| Non-Controlling Interest  |          | -0.13                        | 0.06                         | 0.38                              | 1.32                    | 1.45                    |
| <b>Other Comprehensive Income attributable to:</b>  |          |                              |                              |                                   |                         |                         |
| Owners of the Parent  |          | -0.75                        | -2.21                        | 1.04                              | 0.51                    | (3.63)                  |
| Non-Controlling Interest  |          | -0.01                        | -0.02                        | -0.01                             | 0.01                    | (0.04)                  |
| <b>Total Comprehensive Income attributable to:</b>  |          |                              |                              |                                   |                         |                         |
| Owners of the Parent  |          | 129.50                       | 89.52                        | 73.16                             | 359.60                  | 302.96                  |
| Non-Controlling Interest  |          | -0.13                        | 0.04                         | 0.37                              | 1.33                    | 1.41                    |
| <b>Earnings per equity share</b>  |          |                              |                              |                                   |                         |                         |
| <b>Earnings per equity share [nominal value of share Rs. 10/-]</b>  |          |                              |                              |                                   |                         |                         |
| Basic   |          | 3.49                         | 3.27                         | 1.92                              | 9.59                    | 10.94                   |
| Diluted   |          | 3.49                         | 3.27                         | 1.92                              | 9.59                    | 8.19                    |

Significant accounting policies and notes to the Ind AS financial statements  
The explanatory notes referred to above form an integral part of the Ind AS financial statements

As per our report of even date  
For **PGS & Associates**  
Chartered Accountants  
F.R.N. : 0122384W

*PHGandhi*

**PREMAL H GANDHI**  
Partner  
Membership Number: 111592  
Place : Mumbai  
UDIN - 25111592 BM MJF 13054  
Date : 15-05-2025



For and on behalf of the Board of Directors of  
**Diffusion Engineers Limited**

*Prashant N. Garg*

**PRASHANT N. GARG**  
Chairman & Managing Director  
DIN :- 00049106  
Place : Nagpur  
Date : 15-05-2025

*Abhishek Mehta*

**ABHISHEK MEHTA**  
Chief Financial Officer  
Place : Nagpur  
Date : 15-05-2025



*Nitin N. Garg*

**NITIN N GARG**  
Director  
DIN :- 08558736  
Place : Nagpur  
Date : 15-05-2025

*Chanchal Jaiswal*

**CHANCHAL JAISWAL**  
Company Secretary  
Place : Nagpur  
Date : 15-05-2025

**RAMESH KUMAR NARASINGHBHAN**  
Chief Executive Officer  
Place : Nagpur  
Date : 15-05-2025

**DIFFUSION ENGINEERS LTD**  
**Consolidated Cash Flow Statement for the year ended March 31, 2025**  
*(All amounts in rupees Million, unless otherwise stated)*

| Particulars   | For the year ended<br>31 March 2025 | For the year ended<br>31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| <b>A Cash flows from operating activities</b>   |                                     |                                     |
| Profit/(loss) before tax  | 488.55                              | 397.24                              |
| <b>Adjustments:</b>   |                                     |                                     |
| Depreciation and amortisation   | 52.75                               | 45.49                               |
| Bad Debts & Write Off   | 8.51                                | 9.56                                |
| Gain / (loss) on remeasurements of the defined employee benefit plans                 | (1.39)                              | (1.54)                              |
| Net (gain)/loss on financial instruments at fair value through profit or loss         | 7.40                                | (29.43)                             |
| Liabilities written-back  | -                                   | -                                   |
| Interest and Finance Charges  | 22.74                               | 17.55                               |
| Interest Income   | (42.01)                             | (4.27)                              |
| Share of profit / (loss) of associates and joint ventures                             | -                                   | -                                   |
| Unrealised exchange (gain)/loss   | 1.90                                | (2.13)                              |
| Exceptional Item  | -                                   | 2.57                                |
| <b>Operating cash flows before working capital changes and other assets</b>           | <b>538.44</b>                       | <b>435.05</b>                       |
| (Increase) / decrease in inventories  | (150.61)                            | (15.04)                             |
| Decrease/ (increase) in Trade and Other Receivables                                   | (180.24)                            | (60.62)                             |
| (Decrease) / increase in other current assets   | (31.09)                             | 6.70                                |
| (Decrease) / increase in Trade and Other Payables                                     | (37.21)                             | 77.83                               |
| (Decrease) / increase in other current liabilities                                    | 42.69                               | 19.12                               |
| (Decrease) / increase in other current provisions                                     | 12.84                               | 3.53                                |
| Cash generated from operations  | <b>194.83</b>                       | <b>466.59</b>                       |
| Income taxes refund / (paid), net   | (108.63)                            | (102.80)                            |
| <b>Net Cash Flow From/(Used In) Operating Activities (A)</b>                          | <b>86.20</b>                        | <b>363.79</b>                       |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>  |                                     |                                     |
| Purchase/ Sale of property, plant and equipment                                       | (128.48)                            | (319.78)                            |
| Purchase/ sale of intangible assets   | (0.58)                              | (1.70)                              |
| Purchase of CWIP  | (20.38)                             | 7.22                                |
| Disposal of assets  | 7.45                                | 1.33                                |
| Non Current investment  | (61.46)                             | (67.48)                             |
| Interest Income   | 42.01                               | 4.27                                |
| Share of profit / (loss) of associates and joint ventures                             | (19.51)                             | 13.60                               |
| (Increase)/Decrease in bank balances not considered as cash and cash equivalent (net) | -                                   | 4.13                                |
| <b>Net Cash Flow From/(Used In) Investing Activities (B)</b>                          | <b>(180.96)</b>                     | <b>(358.42)</b>                     |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>  |                                     |                                     |
| Proceeds from long-term borrowings  | -                                   | (16.70)                             |
| Proceeds from short-term borrowings(Net)  | (112.21)                            | (119.88)                            |
| Finance Cost paid   | (22.74)                             | (17.55)                             |
| Dividend Paid   | (15.96)                             | (18.22)                             |
| Proceeds from Issue   | 1,438.08                            | 202.37                              |
| Issue Expenses  | -                                   | (2.57)                              |
| <b>Net Cash Flow From/(Used In) Financing Activities (C)</b>                          | <b>1,287.17</b>                     | <b>27.47</b>                        |
| Net increase / decrease in cash and cash equivalents                                  | 1,192.42                            | 32.84                               |
| Cash and cash equivalents at the beginning of the period                              | 78.13                               | 45.29                               |
| <b>Cash &amp; Cash Equivalents at the End of the Period(A+B+C) (refer Note 9)</b>     | <b>1,270.54</b>                     | <b>78.13</b>                        |

As per our report of even date  
**For PGS & Associates**  
Chartered Accountants  
F.R.N. : 0122384W

*PHGandhi*

**PREMAL H GANDHI**  
Partner  
Membership Number: 111592  
Place : Mumbai  
UDIN - 25111592BMMJFM1354  
Date : 15-05-2025



**RAMESH KUMAR NARASINGHBHAN**  
Chief Executive Officer  
Place : Nagpur  
Date : 15-05-2025

*Prashant N. Garg*

**PRASHANT N. GARG**  
Chairman & Managing Director  
DIN :- 00049106  
Place : Nagpur  
Date : 15-05-2025

*Abhishek Mehta*

**ABHISHEK MEHTA**  
Chief Financial Officer  
Place : Nagpur  
Date : 15-05-2025



For and on behalf of the Board of Directors of  
**Diffusion Engineers Limited**

*Nitin N. Garg*

**NITIN N. GARG**  
Director  
DIN :- 08558736  
Place : Nagpur  
Date : 15-05-2025

*Chanchal Jaiswal*

**CHANCHAL JAISWAL**  
Company Secretary  
Place : Nagpur  
Date : 15-05-2025

**Notes to audited consolidated financial results for quarter and year ended 31st March, 2025**

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.
2. These audited 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 audited consolidated financial results for the quarter ended 31st March 2025 and for the year ended 31<sup>st</sup> March 2025 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 14<sup>th</sup> May 2025 and 15<sup>th</sup> May 2025 respectively. The Statutory auditors have expressed unmodified opinion on financial results for the quarter ended 31st March 2025 and for the year ended 31<sup>st</sup> March 2025
4. The Audited Financial Results for the quarter ended March 31, 2025 is the balancing figures between audited figures in respect of the full financial year and the audited year to date figures of the third quarter of the respective period ended 31<sup>st</sup> December, 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. Dividends Paid by Diffusion Wear Solutions Philippines Inc. have been recognized as income in Diffusion Engineers Singapore Pte Ltd's standalone financial statements for FY 2024–2025. However, in the consolidated financial statements, the dividend received from group company are eliminated as intercompany transactions do not impact the group's consolidated profit.
7. The Board of Directors has recommended dividend of 15%, subject to the approval of shareholder scheme.
8. The figures of previous periods / year are reclassified, regrouped and rearranged wherever necessary so as to make them comparable with current period's figures.

**For and on behalf of the Board of Directors**

**Diffusion Engineers Limited**



Prashant Garg

Managing Director

DIN - 00049106

Place – Nagpur

Date – Date – 15<sup>th</sup> May 2025



Date: May 15, 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: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015, in respect of the Audited Financial Results (Consolidated and Standalone)**

In terms of the second proviso to Regulation 33(3)(d) of the SEBI (Listing Obligations Disclosures Requirements) Regulations, 2015, we hereby declare that Statutory Auditors of the Company PGS & Associates (FRN 0122384W), have issued the Auditor's Report on the Annual Audited Financial Results (Consolidated and Standalone) of the Company for the financial year ended March 31, 2025 with **unmodified opinion**.

Kindly take the information on record.

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

  
Abhishek Mehta  
Chief Financial Officer



**DIFFUSION ENGINEERS LIMITED**

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

[t] +91-7104-232890, 234727, 236772, CIN : L99999MH2000PLC124154

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

Branches At : Ahmedabad • Chennai • Chittorgarh • Faridabad • Jamshedpur • Kolkata • Pune • Raipur • Secunderabad

**ANNEXURE -3**

**Appointment of M/s Chitaley Mehta & Associates, (FRN- 127021W) as an Internal Auditor of the Company for financial year 2025-26.**

| <b>Sr. No.</b> | <b>Particulars</b>  | <b>Details</b>  |
|----------------|---|---|
| <b>1</b>       | Reason for change viz. appointment, resignation, removal, death or otherwise;         | Appointment as an Internal Auditor of the Company.  |
| <b>2</b>       | Date of appointment/cessation (as applicable) & term of appointment;                  | With effect from May 15, 2025<br><br>Appointment as an Internal Auditor of the Company for financial year 2025-26 to conduct the Internal Audit.  |
| <b>3</b>       | Brief profile (in case of appointment);   | Chitaley Mehta & Associates, FRN-127021W, is a firm of Chartered Accountants in Nagpur. The Firm provides services in the fields of internal audit and assurance, tax, transaction advisory and consulting keeping in mind the regulatory and commercial environment within which the Firm's clientele operate. |
| <b>4</b>       | Disclosure of relationships between directors (in case of appointment of a director). | NA  |

**ANNEXURE - 4**

Appointment of M/s A. B. Verma & Co., Cost Accountants, (Firm Registration Number – 102527)), as Cost Auditor of Company for the Financial Year 2025-26

| Sr. No. | Particulars   | Details  |
|---------|---|--|
| 1       | Reason for change viz. appointment, resignation, removal, death or otherwise;         | Appointment as Cost Auditor of the Company   |
| 2       | Date of appointment/cessation (as applicable) & term of appointment;                  | With effect from May 15, 2025<br>Appointed as a Cost Auditor of the Company for financial year 2025-26 to conduct the Cost Audit.  |
| 3       | Brief profile (in case of appointment);   | M/s A. B. Verma & Co., Cost Accountants, (Firm Registration Number – 102527) is a firm of Practicing Cost Accountants based in Nagpur offering a wide spectrum of Services to its esteemed clientele. The firm has handled various assignments in Costing such as Cost audit, Certifications, Setting up costing systems, Cost consultancy, Costing-based turnaround strategies, etc. across diverse industry and client base. |
| 4       | Disclosure of relationships between directors (in case of appointment of a director). | NA   |

**ANNEXURE - 5**

**Disclosure details in relation to approval of Employee Stock Option Scheme**

|   |   |
|---|---|
| a) Brief details of Options granted   | 7,00,000 (Seven Lakh) employee stock options ("Options") to be granted to the eligible employees as determined by the Nomination and Remuneration Committee.  |
| b) Whether the scheme is in terms of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (if applicable); | Yes, the scheme is in the compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021   |
| c) Total number of shares covered by these options;   | 7,00,000 (Seven Lakh) Options exercisable into not more than 7,00,000 (Seven Lakh) equity shares of face value of ₹ 10/- (Rupees Ten Only) each fully paid-up   |
| d) Pricing formula;   | The exercise price per Option shall be determined by the Committee. However, the exercise price per Option shall not be less than the face value of the Share of the Company.   |
| e) Options vested;  | Nil   |
| f) Time within which Options may be exercised;  | The exercise period for vested Options shall be a maximum of <b>4 (Four) years</b> commencing from the date of each Vesting or such other shorter period as may be prescribed by the Committee at the time of Grant. In case of death or Permanent Incapacity, the Committee may, at its discretion, allow such additional period for Exercise which shall not be more than 12 months from the original prescribed Exercise Period. |
| g) Options exercised;   | Nil   |
| h) Money realized by exercise of Options;   | Nil   |
| i) The total number of shares arising as a result of exercise of Option;  | Nil   |



|  |   |
|--|---|
| j) Options lapsed;   | Nil   |
| k) Variation of terms of Options;  | Not Applicable  |
| l) Brief details of significant terms.   | The aforesaid Options will vest over a period of 4 (Four) years from the date of grant. |
| m) Subsequent changes or cancellation or exercise of such Options;                       | Not Applicable  |
| n) Diluted earnings per share pursuant to issue of equity shares on exercise of Options. | Options are not yet granted.  |



**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

**ANNEXURE - 6**

**Sale of 2.06% stake of associate company, LSN Diffusion Limited**

| Sr. No.     | Particulars   | Description   |             |                      |            |        |         |         |           |       |       |
|-------------|---|---|-------------|----------------------|------------|--------|---------|---------|-----------|-------|-------|
| 1           | The amount and percentage of the turnover or revenue or income and net worth contributed by <del>such unit or division or undertaking or subsidiary</del> or associate company of the listed entity during the last financial year; | Income and Networth of LSN Diffusion Limited<br><table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (In Millions)</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Income</td> <td>(19.64)</td> <td>(4.19%)</td> </tr> <tr> <td>Net worth</td> <td>76.87</td> <td>2.08%</td> </tr> </tbody> </table><br><i>Note: As per the audited financial statements as on December 31, 2024.</i> | Particulars | Amount (In Millions) | Percentage | Income | (19.64) | (4.19%) | Net worth | 76.87 | 2.08% |
| Particulars | Amount (In Millions)  | Percentage  |             |                      |            |        |         |         |           |       |       |
| Income      | (19.64)   | (4.19%)   |             |                      |            |        |         |         |           |       |       |
| Net worth   | 76.87   | 2.08%   |             |                      |            |        |         |         |           |       |       |
| 2           | Date on which the agreement for sale has been entered into;   | Yet to be executed  |             |                      |            |        |         |         |           |       |       |
| 3           | The expected date of completion of sale / disposal  | Upto 30-09-2025   |             |                      |            |        |         |         |           |       |       |
| 4           | Consideration received from such sale / disposal;   | Not applicable as sale is yet to take place.  |             |                      |            |        |         |         |           |       |       |
| 5           | Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group / group companies. If yes, details thereof;  | Buyers are not identified yet.  |             |                      |            |        |         |         |           |       |       |
| 6           | Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length".  | Not applicable  |             |                      |            |        |         |         |           |       |       |
| 7           | Whether the sale, lease or disposal of the undertaking is outside scheme of arrangement? If yes, details of the same including compliance with Regulation 37A of LODR Regulations.  | Not applicable  |             |                      |            |        |         |         |           |       |       |
| 8           | Additionally, in case of a slump sale, indicative disclosures provided for amalgamation / merger, shall be disclosed by the listed entity with respect to such slump sale.  | Not applicable  |             |                      |            |        |         |         |           |       |       |