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Innovative superconditioning solutions

DIFFUSION ENGINEERS LIMITED

Our Company was incorporated under the provisions of the Companies Act, 1956 with the name "Diffusion Engineers Private Limited" pursuant to certificate of incorporation dated November 05, 1982 issued by Registrar of Companies, Maharashtra. Further, pursuant to resolutions passed by our Board of Directors at its meeting held on May 06, 1995 and by our Shareholders at the extra-ordinary general meeting held on May 17, 1995, our Company was converted into a public limited company. Consequently, our name was changed to "Diffusion Engineers Limited" and a fresh Certificate of Incorporation dated July 03, 1995, was issued by the Registrar of Companies, Karnataka at Bangalore. For details in relation to the change in our Registered Office of our Company, see "History and Certain Corporate Matters" beginning on page 276 of the red herring prospectus dated September 20, 2024 filed with the RoC ("RHP" or "Red Herring Prospectus").

Registered Office: T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra; Telephone: +91 9158317943; Contact Person: Chanchal Rajesh Jaiswal, Company Secretary and Compliance Officer; E-mail: cs@diffusionengineers.com; Website: www.diffusionengineers.com

Corporate Identity Number: U99999MH2000PLC124154



(Please scan the QR code to view the RHP)

PROMOTERS OF THE COMPANY: PRASHANT GARG, DR. NITIN GARG AND CHITRA GARG

INITIAL PUBLIC OFFER OF UP TO 9,405,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF DIFFUSION ENGINEERS LIMITED ("COMPANY OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ [●] MILLION ("ISSUE").

THIS ISSUE INCLUDES A RESERVATION OF UP TO 50,000 EQUITY SHARES (CONSTITUTING UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL) FOR PURCHASE BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WOULD CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY, IN CONSULTATION WITH THE BRLM, MAY OFFER A DISCOUNT OF UP TO 5% TO THE ISSUE PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE ISSUE AND THE NET ISSUE CONSTITUTED [●]% AND [●]%, RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

We are engaged in the business of manufacturing welding consumables, wear plates, wear parts and heavy engineering equipments.

The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not more than 50% of the Net Issue | Non-Institutional Portion: Not less than 15% of the Net Issue | Retail Portion: Not less than 35% of the Net Issue

Employee Reservation Portion: Up to 50,000 Equity Shares of face value of ₹10 each aggregating up to ₹[●] million

PRICE BAND: ₹159 TO ₹168 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH

THE FLOOR PRICE IS 15.9 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 16.8 TIMES THE FACE VALUE OF THE EQUITY SHARES
THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FY 2024 FOR THE COMPANY AT THE UPPER END OF THE PRICE BAND IS AS HIGH AS 15.35 TIMES
AND AT THE LOWER END OF THE PRICE BAND IS 14.53 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 32.45 TIMES.

BIDS CAN BE MADE FOR A MINIMUM OF 88 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH

AND IN MULTIPLES OF 88 EQUITY SHARES OF FACE VALUE OF ₹10 EACH THEREAFTER

A DISCOUNT OF ₹8.00 PER EQUITY SHARES IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated September 20, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Issue Price" section on page 181 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in the "Basis for Issue Price" section on page 181 of the RHP and provided below in the advertisement.

IN MAKING AN INVESTMENT DECISION AND PURCHASE IN THE ISSUE, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RHP AND THE TERMS OF THE ISSUE, INCLUDING THE RISKS AND MERITS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE ISSUE AVAILABLE IN ANY MANNER.

In relation to the price band, potential investors should refer to this price band advertisement for the Issue and should not rely on any media articles / reports in relation to the valuation of the Company as these are not endorsed, published or confirmed either by the Company or by the BRLM.

RISK TO INVESTORS

(For details refer to section titled "Risk Factors" on page 38 of the RHP)

- Dependence on domestic market for sales:** Our Company is highly dependent on domestic market for its sales and any downturn in it could dent our business operations. For the Fiscals 2024, 2023 and 2022, our revenue from domestic sales were ₹ 2,307.76 million, ₹ 2,146.40 million, and ₹ 1,795.84 million, respectively, representing 89.75%, 87.94% and 91.74%, respectively of our revenue from operations as per restated standalone financials.
 - Risk in relation to Objects of the Issue:** Our Company proposes to utilise ₹713.80 million for the Proposed Expansion and ₹303.85 million for the Proposed Facility to fund capital expenditure requirements which are subject to the risks of unexpected delays including in relation to receipt of approvals and implementation. If there are delays in setting up the Proposed Facility or Proposed Expansion or if the costs of setting up and the possible time or cost overruns related to them or the purchase of plant and machinery for the aforesaid Objects are higher than expected, it could have a material adverse effect on our financial condition business operations.
 - Risk related to sourcing of raw materials:** Our business and profitability is substantially dependent on the availability and cost of our raw materials and any disruption to the timely and adequate supply or volatility in the prices of raw materials may adversely impact our business operations. For the Fiscals 2024, 2023 and 2022, our total cost of raw materials were ₹ 1,502.92 million, ₹ 1,582.79 and ₹ 1,302.04 million, respectively, representing 58.45%, 64.85% and 66.51%, respectively of our standalone revenue from operation.
 - Risk relating to insufficient cash flows:** Our business is working capital intensive. Insufficient cash flows from our operations or inability to borrow to meet our working capital requirements may materially and adversely affect our business operations. As on July 31, 2024, our aggregated sanctioned working capital facilities was ₹700.00 million. We intend to utilize ₹220.00 million (as part of the Net Proceeds) towards funding our incremental working capital requirements in Fiscal 2025. For the Fiscals 2024, 2023 and 2022, our net working capital requirements stood at ₹927.85 million, ₹980.92 million and ₹ 603.86 million, respectively.
 - Risk related to absence of long-term arrangements with suppliers:** We do not have long-term agreements with our suppliers for raw materials and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a negative impact on our business operations. Purchases of raw materials are concentrated from a few suppliers with our top 10 suppliers contributing of our revenue from operations on restated standalone financial statement for Fiscals 2024, 2023 and 2022 amounted to ₹ 869.11 million, ₹ 719.94 million and ₹ 603.03 million, respectively, representing 31.25%, 29.50% and 30.80%, respectively our revenue from operations as per restated standalone financials.
 - Risk related to leasehold property:** Our Units I, II and III admeasuring in aggregate approx. 16,038 sq. mtrs. from where we operate have been given to us on long term lease by MIDC. In the event we lose or are unable to renew such leasehold rights or we are unable to adhere to or comply with the conditions of such lease, our business operations may be adversely affected.
 - Risk related to approvals:** We are required to obtain several approvals, licenses, registrations and permits and comply with certain rules, regulations and conditions to operate our business, and failure to obtain, retain or renew such approvals and licenses in a timely manner or to comply with the requisite rules, regulations and conditions may adversely affect our business operations.
 - Negative cash flows from operating activities:** We have incurred negative cash flows from operating activities of ₹ (47.37) million in the Fiscal 2023 as per restated consolidated financials. Any negative cash flows in the future would adversely affect our business operations.
 - Concentration on manufacturing facilities:** Our business is dependent on four Manufacturing Facilities all of which are located in Nagpur, Maharashtra and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around, Nagpur, Maharashtra or any disruption in production at, or shutdown of, all our manufacturing units could have material adverse effect on our business operations.
 - Dependence on the performance of certain other industries:** We are dependent on the following five industries for deriving a major portion of our revenues. The following table sets forth revenues generated from the sale of products on restated standalone financial statement from other industries, for the periods indicated:
- | End-use segment | Fiscal 2024 | | Fiscal 2023 | | Fiscal 2022 | |
|-----------------|-------------|--------|-------------|--------|-------------|--------|
| | (₹) | (%) | (₹) | (%) | (₹) | (%) |
| Cement | 942.59 | 36.66% | 747.09 | 30.61% | 719.13 | 36.74% |
| Engineering | 357.93 | 13.92% | 262.36 | 10.75% | 145.50 | 7.43% |
| Power | 188.02 | 7.31% | 325.82 | 13.35% | 291.76 | 14.90% |
| Steel | 332.12 | 12.92% | 291.19 | 11.93% | 213.35 | 10.90% |
| Sugar | 114.97 | 4.47% | 104.00 | 4.26% | 91.60 | 4.68% |
| Total | 1,935.62 | 75.28% | 1,730.46 | 70.90% | 1,461.34 | 74.65% |
- Conflict of Interest with our Group Companies and Subsidiaries:** Conflict of interest may arise as some of our Group Companies and Subsidiaries are authorized to carry on similar line of business as our Company which may lead to real or potential conflicts of interest for our Promoters or Directors.

12. Risk of default in payment of receivables: Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our business operations. For the Fiscals 2024, 2023 and 2022, our bad debts written off were ₹9.56 million, ₹3.88 million and ₹1.39 million, respectively, representing 0.34%, 0.15% and 0.06%, respectively of our revenue from operations and further our disputed trade receivables for fiscals 2024, 2023 and 2022, were ₹7.02 million, ₹6.48 million and ₹5.55 million, respectively, representing 0.25%, 0.25% and 0.26%, respectively of our revenue from operations.

14. The BRLM associated with the Issue has handled 8 Main board public issues and 8 SME public issues in the past three years, out of which No issue has closed below the issue price on listing date.

| Name of Promoters | No. of Equity Shares held | Average cost of acquisition (in ₹) |
|---|---------------------------|------------------------------------|
| Prashant Garg | 10,379,551 | 10.11 |
| Chitra Garg | 6,130,971 | 6.55 |
| Dr. Nitin Garg | 6,876,254 | 3.31 |
| Prashant Garg jointly with Neelu Garg | 65,548 | 18.48 |
| Dr. Nitin Garg jointly with Dr. Renuka Garg | 526,967 | 6.07 |

BID/ISSUE SCHEDULE

BID/ ISSUE OPENS ON THURSDAY, SEPTEMBER 26, 2024

BID/ ISSUE CLOSES ON MONDAY, SEPTEMBER 30, 2024*

**UPI Mandate end time and date shall be 5.00 p.m on the Bid/Issue Closing Date.*

| KPI | Explanations |
|---|--|
| Revenue from Operations (₹ million) | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business. |
| Total Revenue | Total Revenue is used to track the total revenue generated by the business including other income. |
| EBITDA (₹ million) | EBITDA provides information regarding the operational efficiency of the business. |
| EBITDA Margin (%) | EBITDA Margin is an indicator of the operational profitability and financial performance of our business. |
| Restated profit for the year (₹ million) | Restated profit for the year provides information regarding the overall profitability of the business. |
| Restated profit for the year as % of Total Revenue (PAT margin) | PAT Margin is an indicator of the overall profitability and financial performance of our business. |
| Average Capital Employed | Average Capital Employed (ACE) is a key financial metric used to assess how efficiently a company utilizes its invested capital, providing insights into profitability and guiding decision-making for optimal resource allocation and performance improvement |
| Return on Capital Employed | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |
| RoE (%) | RoE provides how efficiently our Company generates profits from shareholders' funds. |
| Debt To Equity Ratio | Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage. |
| Interest Coverage Ratio | The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt. |
| Current Ratio | It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables. |
| Net Capital Turnover Ratio | This metric enables us to track how effectively company is utilizing its working capital to generate revenue. |
| Revenue per sales person | This metric calculates the average revenue generated by each salesperson, providing insights into individual sales performance and overall sales team efficiency. |
| Revenue per order of Wear Plates and Job Work | This metric assesses the average revenue generated per order specifically for Wear Plates and job work, offering valuable insights into the product/service segment's contribution to overall revenue. |
| Revenue per order of Heavy Engineering Division | This metric measures the average revenue generated per order for the Heavy Engineering Division, helping evaluate the division's financial performance and contribution to the company's overall revenue. |

Financial KPI of our Company

(₹ in Million, except percentages)

| Particulars | Fiscal | | |
|---|----------|----------|----------|
| | 2024 | 2023 | 2022 |
| Financial KPIs | | | |
| Revenue from operations | 2,781.44 | 2,548.76 | 2,045.89 |
| Other Income | 74.17 | 37.95 | 41.58 |
| EBITDA | 473.88 | 347.97 | 275.22 |
| EBITDA margin | 17.04% | 13.65% | 13.45% |
| Restated profit for the year | 308.04 | 221.45 | 170.46 |
| Restated profit for the year as % of Total Revenue (PAT margin) | 10.79% | 8.56% | 8.17% |
| Average Capital employed | 2,076.14 | 1,676.66 | 1,350.28 |
| ROCE (%) | 20.63% | 18.46% | 17.30% |
| ROE (%) | 18.52% | 16.86% | 15.10% |
| Debt-to-Equity ratio | 0.18 | 0.34 | 0.20 |
| Interest Coverage Ratio | 26.99 | 15.16 | 19.90 |
| Current Ratio | 1.89 | 1.70 | 1.69 |
| Net Capital Turnover Ratio | 4.50 | 5.18 | 4.99 |

Notes:

For more details refer to page 187 of the RHP

For more details refer to page 187 of the RHP

Further, set forth below are some of our key operational performance indicators as of and for the periods indicated which have been approved our Audit Committee pursuant to its resolution dated July 31, 2024.

Operational KPIs for the Company

| Sr No. | Metric | Fiscal | | |
|--------|---|--------|-------|-------|
| | | 2024 | 2023 | 2022 |
| 1 | Revenue per sales person | 17.72 | 17.10 | 13.82 |
| 2 | Revenue per order of Wear Plates and Job Work | 0.59 | 0.59 | 0.44 |
| 3 | Revenue per order of Heavy Engineering Division | 1.80 | 2.99 | 3.37 |

Note:

c) Revenue per order of Heavy Engineering Division is total revenue from operation of Heavy Engineering Division work for the fiscals 2024, 2023 and 2022 is ₹ 722.73 million, ₹531.34 million and ₹550.11 million, respectively divided by total orders executed for the fiscals 2024, 2023 and 2022 is 401 projects, 178 projects and 163 projects, respectively. This shows the average size per order.

For further information in relation to historical use of such KPIs by our Company to monitor the operational and/or financial performance of our Company, "Our Business - Key Performance Indicators" on pages 232 of the RHP.

IV. Comparison of KPIs with listed industry peers

Set forth below is a comparison of our KPIs with our peer group companies listed in India:

| Metric | Diffusion Engineers Limited | | | Ador Welding Limited | | | AIA Engineering Limited | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | As of and for the Fiscal 2024 | As of and for the Fiscal 2023 | As of and for the Fiscal 2022 | As of and for the Fiscal 2024 | As of and for the Fiscal 2023 | As of and for the Fiscal 2022 | As of and for the Fiscal 2024 | As of and for the Fiscal 2023 | As of and for the Fiscal 2022 |
| Financial KPI's | | | | | | | | | |
| Revenue From operations | 2,781.44 | 2,548.76 | 2,045.89 | 8,838.30 | 7,767.60 | 6,614.80 | 48,537.61 | 49,087.69 | 35,665.47 |
| EBITDA | 473.88 | 347.97 | 275.22 | 899.20 | 872.10 | 583.70 | 13,352.68 | 12,406.41 | 7,209.45 |
| EBITDA Margin (%) | 17.04% | 13.65% | 13.45% | 10.17% | 11.23% | 8.82% | 27.51% | 25.27% | 20.21% |
| Restated profit for the year | 308.04 | 221.45 | 170.46 | 631.90 | 600.90 | 360.40 | 11,369.92 | 10,565.00 | 6,196.18 |
| Restated profit for the year as % of Total Revenue (PAT margin) | 10.79% | 8.56% | 8.17% | 7.05% | 7.67% | 5.40% | 22.14% | 20.54% | 16.64% |
| Average Capital employed | 2,076.14 | 1,676.66 | 1,350.28 | 3,721.30 | 3,109.85 | 2,740.15 | 66,498.31 | 54,725.63 | 45,932.94 |

Continued on next page...

Source: All the financial information for listed industry peers mentioned above is on a consolidated/Standalone basis as available sourced from the financial Reports of the peer company uploaded on the NSE website for the year ended March 31, 2024.

For more details refer to page 183 of the RHP

Investors should read the above mentioned information along with “**Risk Factors**”, “**Our Business**”, “**Management Discussion and Analysis of Financial Position and Results of Operations**” and “**Financial Information**” on pages 38, 232, 371, and 325 of the RHP, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “**Risk Factors**” and you may lose all or part of your investments.

6. Key financial and operational performance indicators (“KPIs”)

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

कर रिफंड मेसेज से सावधान, इनसे होती है ठगी आसान

आयकर विभाग के नाम पर आने वाले ईमेल या मेसेज की जांच लें सत्यता, वरना हो सकते हैं जालसाजी के शिकार

बिंदिश सारंग

आयकर विभाग नियमित रूप से करदाताओं को सचेत करता रहता है कि वे आईटीआर को लेकर झूठे दावे करने वाले फर्जी आईटी अफसरों के झंझ में न आएँ। ये धोखेबाज फोन, मेसेज और ईमेल भेजकर लोगों को अपने जाल में फंसाते हैं। आयकर विभाग ने अपनी वेबसाइट पर स्पष्ट लिखा है, ‘अनचाही कॉल पर बिल्कुल भरोसा नहीं करें। विभाग कभी भी आयकरदाताओं से फौरन भुगतान के लिए दबाव नहीं डालता।’ यदि आपको या आपके किसी जानकार वरिष्ठ नागरिक को ऐसे संदेश मिले हैं तो सतर्क हो जाएँ और ठगों के जाल में आने से कैसे बचना है इसे समझ लें।

ठगी की तरीका

धोखेबाज लोगों को एम्बेडेड लिंक के जरिए संदेश भेजते हैं। जब लोग इन मेसेज को खोलते हैं तो फौरन उनसे उनके बैंक खाते से जुड़ी संवेदनशील जानकारी मांगी जाती है। इसमें ग्राहक से संबंधित गोपनीय विवरण समेत ओटीपी के बारे में भी पूछा जाता है।

ईवाई फॉरेसिक ऐंड इंटेग्रेटी सर्विसेज- फाइनैशियल सर्विसेज के पार्टनर विक्रम बब्बर बताते हैं, ‘कई बार ये घोटालेबाज पीडित व्यक्ति के कंप्यूटर, लैपटॉप आदि डिवाइस में रिमोट एक्सेस एप्लीकेशन इंस्टॉल करने में

कामयाब हो जाते हैं और फिर उस डिवाइस की एक्सेस अपने नियंत्रण में लेकर पीडित व्यक्ति के व्यक्तिगत डेटा तक आसानी से पहुंच जाते हैं। इन ठगों के निशाने पर सबसे ज्यादा बुजुर्ग होते हैं, जो तकनीक से बहुत अधिक वाकिफ नहीं होते और कंप्यूटर से जुड़े कामों में दूसरों की मदद लेते हैं।’

ये धोखेबाज आयकर विभाग की वेबसाइट से मिलती-जुलती फर्जी वेबसाइट बनाकर भी वारदात को अंजाम देते हैं। जब कोई व्यक्ति उनकी वेबसाइट पर पहुंच जाता है तो रिकॉर्ड अपडेट करने या रिफंड प्रोसेसिंग का बहाना बनाकर पीडित से लॉगिन, व्यक्तिगत सूचनाएं अथवा भुगतान विवरण से संबंधित जानकारीयां भरवा ली जाती हैं। सिंधानिया ऐंड कंपनी में पार्टनर रितिका नैयर कहती हैं, ‘जब आयकरदाता इंटरनेट पर जाते हैं तो उन्हें ऐसे फर्जी नोटिफिकेशन मिलते हैं, जो हूबहू आयकर विभाग की वेबसाइट से आने वाले

नोटिफिकेशन की तरह होते हैं। लोग आसानी से इनके धोखे में आ जाते हैं। इन संदेशों में रिफंड क्लेम करने या अथवा व्यक्तिगत जानकारी अपडेट करने के बारे में कहा जाता है।’

इन वेबसाइटों पर अक्सर ठग अपने को कर परामर्शदाता के तौर पर पेश करते हैं। कभी वे उपयोगकर्ता को अधिक से अधिक रिफंड दिलाने का झंझा देते हैं। वे कभी-कभी कर तैयारी के दौरान एकत्र की गई गुप्त सूचनाओं का दुरुपयोग करते हैं। बाद में इससे अवैध रूप



से पैसे की निकासी कर ली जाती है।

संदेशों की सत्यता जांचें

करदाता सावधानीपूर्वक ईमेल या मेसेज बॉक्स में आने वाले संदेशों की सत्यता को जांचें। देखें कि किस ईमेल को नंबर अथवा वेबसाइट से इसे भेजा गया है। सरकारी विभाग से मिलने वाले संदेशों को कोई भी आसानी से पहचान सकता है, क्योंकि ये अमूमन @incometax.gov.in अथवा @gov.in. आदि डोमेन से बने होते हैं।

सिंधानिया ऐंड कंपनी में डायरेक्ट टैक्स पार्टनर अमित बंसल कहते हैं, ‘यदि थोड़ा भी शक हो तो मैसे का लिंक खोलने या अटैचमेंट को डाउनलोड करने से बचना चाहिए। ऐसे मेसेज की सत्यता को जांचने के लिए बड़ा आसान तरीका है। अपने ब्राउजर में आयकर विभाग की ऑफिशियल वेबसाइट https://www.incometax.gov.in टाइप करेंगे तो यह खुल जाएगी। इसमें लॉगइन कर आप किसी भी तरह के नोटिफिकेशन के बारे में पता कर सकते हैं। जो

मेसेज आपको भेजा गया होगा, वह नोटिफिकेशन या सूचना यहां अवश्य दर्ज होगी। यही नहीं, आप सीधे आयकर विभाग से संपर्क कर इस बारे में पता कर सकते हैं।’

साइबर अपराध विशेषज्ञ और अधिकवक्ता प्रशांत माली कहते हैं, ‘आयकर विभाग लोगों को किसी भी तरह का संदेश अमूमन ईमेल से ही भेजता है और इसके ईमेल आईडी का अंत '@incometax.gov.in' से होता है। यदि विभाग मोबाइल मेसेज भेजता है तो उसका आईडी 'ITDEPT' अथवा 'CPCITR' होता है। यह भी ध्यान रखने की बात है कि आयकर विभाग कभी भी ईमेल या फोन मेसेज-कॉल से पासवर्ड, पिन अथवा बैंक खाता विवरण जैसी गुप्त जानकारी नहीं मांगता।’

संदेहास्पद मेसेज से कैसे निपटें

यदि आपको आयकर विभाग का बताकर कोई संदेहास्पद मेसेज भेजा जाता है तो उसे न खोलें। किसी भी हालत में उसका जवाब न दें। उसके निर्देशित किसी भी लिंक को न खोलें बल्कि, फौरन संबंधित अधिकारियों को इसकी जानकारी दें। यदि धोखे में व्यक्तिगत जानकारी साझा कर चुके हैं तो अपना पासवर्ड बदल दें।

नैयर कहती हैं, ‘मेसेज भेजने वाले के बारे में अवश्य पता कर लें। आयकर विभाग से संपर्क करने के लिए हमेशा उसकी आधिकारिक वेबसाइट पर ही जाएँ।’ यदि आपको फर्जी ईमेल भेजा गया है अथवा इंटरनेट पर आयकर विभाग की वेबसाइट से मिलती-जुलती वेबसाइट दिखाई देती है तो उस संदेश या वेबसाइट यूआरएल को फौरन ‘webmanager@incometax.gov.in’ पर भेज दें। इसकी एक कॉपी incident@cert-in.org.in. को भी भेजें।

एसएमएस घोटाला : फर्जी संदेशों की पहचान

सैंपल एसएमएस : आपका 15,000 रुपये का आयकर रिफंड स्वीकृत हुआ है। यह राशि जल्द ही आपके बैंक खाते में ट्रान्सफर कर दी जाएगी। कृपया अपना बैंक खाता संख्या 5XXXXX6777 वैरिफाई करें। यदि यह खाता संख्या सही नहीं है तो कृपया अपने बैंक खाते से संबंधित जानकारी अपडेट करें। इसके लिए https://bit.ly/20wpUUX लिंक पर क्लिक करें।

रिफंड को लेकर अनचाहा नोटिफिकेशन : असंभावित रिफंड नोटिफिकेशन मिले तो सतर्क हो जाएँ। ऐसे मेसेज यदि फोन से मिलें तो समझ जाइए कि यह ठगी के जाल में फंसने की चाल है। अत्यावश्यक : कई बार ऐसे मेसेज मिलते हैं, जिनमें अत्यावश्यक लिखा होता है या ऐसी भाषा होती है कि आपको फौरन उसके निर्देशों पर अमल करने का भाव निकलता हो, तो ऐसी स्थिति में भी सावधान हो जाना चाहिए।

संदेहास्पद लिंक : जिन वेबसाइटों के यूआरएल छोटे हों, उन्हें लेकर भी सतर्क रहने की जरूरत है, क्योंकि ठग अमूमन ऐसे ही यूआरएल इस्तेमाल करते हैं। इन वेबसाइटों को व्यक्तिगत जानकारी अथवा वित्तीय विवरण चुराने के लिए ही डिजाइन किया जाता है।

व्यक्तिगत जानकारी मांगना : यदि किसी ईमेल या मेसेज के जरिए फौरन आधार अथवा बैंक खाते से जुड़ी व्यक्तिगत जानकारी साझा करने के लिए कहा जा रहा है तो ऐसा बिल्कुल न करें, क्योंकि आयकर अधिकारी या विभाग कभी भी आपसे जुड़ी संवेदनशील जानकारी नहीं मांगता।

...continued from previous page.

| Metric | Diffusion Engineers Limited | | | Ador Welding Limited | | | AIA Engineering Limited | | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | As of and for the Fiscal 2024 | As of and for the Fiscal 2023 | As of and for the Fiscal 2022 | As of and for the Fiscal 2024 | As of and for the Fiscal 2023 | As of and for the Fiscal 2022 | As of and for the Fiscal 2024 | As of and for the Fiscal 2023 | As of and for the Fiscal 2022 |
| Return on Capital Employed (ROCE) (%) | 20.63% | 18.46% | 17.30% | 24.07% | 26.45% | 19.32% | 22.80% | 25.26% | 17.09% |
| Return on Equity (ROE) (%) | 18.52% | 16.86% | 15.10% | 18.43% | 19.85% | 13.88% | 18.41% | 20.23% | 15.73% |
| Debt To Equity Ratio | 0.18 | 0.34 | 0.20 | 0.12 | 0.05 | 0.00 | 0.07 | 0.09 | 0.00 |
| Operational KPI's | | | | | | | | | |
| Revenue per sales person | 17.72 | 17.10 | 13.82 | N.A | N.A | N.A | N.A | N.A | N.A |
| Revenue per order of Wear Plates and Job Work | 0.59 | 0.59 | 0.44 | N.A | N.A | N.A | N.A | N.A | N.A |
| Revenue per order of Heavy Engineering Division | 1.80 | 2.99 | 3.37 | N.A | N.A | N.A | N.A | N.A | N.A |

For more details refer to page 187 of the RHP.

7. Weighted average cost of acquisition ("WACA"), floor price and cap price

(a) The price per share of our Company based on the primary / new issue of shares (equity / convertible securities)

There has been no primary/ new issue of Equity Shares or convertible securities and issuance of bonus shares, during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuance")

| Date | No. of equity shares allotted* | Face value per equity share (₹) | Issue price per equity share (₹) * | Nature of allotment | Nature of consideration | Total Consideration (in ₹ million) |
|--------------------------------------|--------------------------------|---------------------------------|------------------------------------|------------------------|-------------------------|------------------------------------|
| October 11, 2023 | 1,858,990 | 10 | 108.86 | Preferential Allotment | Cash | 202.36 |
| Weighted average cost of acquisition | | | | | | 108.86 |

*Adjusted for bonus shares allotted in the ratio of six equity shares for every one equity share pursuant to allotment dated November 29, 2023.

(b) The price per share of our Company based on secondary sale/acquisitions of shares (equity / convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red

For further details, please see "Basis for Issue Price" beginning on page 181 of the RHP.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, in consultation with the Book Running Lead Manager, may for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of One Working Day, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank, as applicable.

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIB Portion"), provided that our Company, in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLM, in accordance with the SEBI ICDR Regulations (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation to NIIIs ("Non-Institutional Category") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue shall be available for allocation to RILs ("Retail Category"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Issue Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Issue only through the Application Supported by Blocked Amount ("ASBA") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or the Sponsor Bank(s), as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Issue Procedure" on page 449 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID and UPI ID available (for UPI Bidders) in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories.

ASBA* | Simple, Safe, Smart way of Application!!!

*Applications Supported by Blocked Amount ("ASBA") is a better way of applying to offers by simply blocking the fund in the bank account.

For further details, check section on ASBA.

Mandatory in public issues.
No cheque will be accepted.



UNIFIED PAYMENTS INTERFACE

UPI-Now available in ASBA for Retail Individual Investors and Non Institutional Investor applying in public issues where the application amount is up to ₹ 500,000, applying through Registered Brokers, Syndicate, CDPs & RTAs. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBOT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021, CBOT Circular No. 7 of 2022 dated March 30, 2022 read with the press release dated March 28, 2023.

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion; (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in the Bid Cum Application Form and abridged prospectus and also please refer to the section "Issue Procedure" on page 446 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. The Bid Cum Application Form and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFp=yes&ntmlid=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFp=yes&ntmlid=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited and ICICI Bank Limited have been appointed as the Sponsor Banks for the Issue, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Issue related queries, please contact the Book Running Lead Manager ("BRLM") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

| BOOK RUNNING LEAD MANAGER | REGISTRAR TO THE ISSUE | COMPANY SECRETARY AND COMPLIANCE OFFICER |
|--|---|---|
| UNISTONE UNISTONE CAPITAL PRIVATE LIMITED A/ 305, Dynasty Business Park, Andheri-Kurla Road, Andheri East, Mumbai – 400 059, India. Telephone: +91 022-46046494; Facsimile: NA; Email: mb@unistonecapital.com Investor grievance email: compliance@unistonecapital.com; Contact Person: Brijesh Parekh Website: www.unistonecapital.com; SEBI registration number: INM000012449; CIN: U65999MH2019PTC330850 | BIGSHARE SERVICES PRIVATE LIMITED S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093, Maharashtra, India. Telephone: 022-62638200; Facsimile: 022-63638280; Email: ipo@bigshareonline.com; Investor grievance email: investor@bigshareonline.com; Contact Person: Babu Rapheal C. Website: www.bigshareonline.com; SEBI Registration Number: INF000001385; CIN: U99999MH1994PTC076534U | Chanchal Jaiswal, DIFFUSION ENGINEERS LIMITED T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur – 440016 Maharashtra. Email ID: cs@diffusionengineers.com Telephone: +91 9158317943; Website: www.diffusionengineers.com Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. |

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the "Risk Factors" on page 38 of the RHP before applying in the Issue. A copy of the RHP is available on the website of SEBI at www.sebi.gov.in and is available on the websites of the BRLM, Unistone Capital Private Limited at www.unistonecapital.com, the website of the Company, Diffusion Engineers Limited at www.diffusionengineers.com and the websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE Limited at www.nseindia.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of our Company, **DIFFUSION ENGINEERS LIMITED:** Tel: +91 9158317943; **BRLM:** Unistone Capital Private Limited, Telephone: +91 9820057533 and **Syndicate Members:** Globalworth Securities Limited, Tel: +91 022 - 6919 0011 and Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Issue. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

DIFFUSION ENGINEERS LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offer of its Equity Shares and has filed the RHP with the RoC. The RHP is made available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the BRLM i.e., Unistone Capital Private Limited at www.unistonecapital.com, the website of the NSE at www.nseindia.com and the website of the Company at www.diffusionengineers.com. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, please see the section titled "Risk Factors" on page 38 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision and instead should place reliance on the RHP.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States, and unless so registered, may not be offered or sold within the form, or in a transaction not subject is, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions as defined in, and in compliance with, regulation S under the U.S. Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.

ESCROW COLLECTION BANK AND REFUND BANK: ICICI Bank Limited. | **PUBLIC ISSUE BANK:** HDFC Bank Limited.

SPONSOR BANKS: HDFC Bank Limited and ICICI Bank Limited.

UPI: UPI Bidders can also Bid through UPI Mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Nagpur
Date: September 21, 2024

For DIFFUSION ENGINEERS LIMITED

On behalf of the Board of Directors

Sd/-

Chanchal Rajesh Jaiswal
Company Secretary & Compliance Officer