

This is a public announcement for information purposes only and is not a prospectus announcement and does not constitute an invitation or offer to acquire, purchase or subscribe to securities. Not for release, publication or distribution directly or indirectly, outside India. Initial public offer of Equity Shares (as defined below) on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

# DIFFUSION

Innovative superconditioning solutions

## DIFFUSION ENGINEERS LIMITED



(Please scan the QR code to view the RHP)

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 9155311943. Contact Person: Chaitanil Rajesh Jaiswal, Company Secretary and Compliance Officer; E-mail: cs@diffusionengineers.com; Website: www.diffusionengineers.com  
Corporate Identity Number: U99999MH2008PC121254

### 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 HERINAFTER 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.

Continued on next page...

continued from previous page

**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.

**13. The Price to Earnings ratio at the Floor Price is 14.53 times and the Cap Price is 15.35 times based on diluted EPS as per Restated Consolidated Financial Statements for the fiscal 2024.**

**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.**

**15. Average cost of acquisition of our Promoters as on the date of RHP:**

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

\* As certified by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 16, 2024.

**16. Weighted Average Return on Net Worth of our Company for Fiscals 2024, 2023 and 2022 is 17.40%.**

**17. The weighted average cost of acquisition of all Equity Shares acquired in last three years, 18 months and one year preceding the date of the RHP by are as follows:**

Period	Weighted Average Cost of Acquisition (in ₹)*	Upper end of the Price band (₹ 168) is 'x' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last 1 year	12.68	13.25	0-762
Last 18 months	12.68	13.25	0-762
Last 3 years	12.68	13.25	0-762

\* As certified by M/s. PGS & Associates, Chartered Accountants, our Statutory Auditors, by way of their certificate dated September 16, 2024.

**18. Weighted average cost of acquisition, floor price and cap price:**

Type of transactions	Weighted Average Cost of Acquisition (in ₹)*	Floor Price (i.e ₹ 159/-)	Cap Price (i.e ₹ 168/-)
Weighted average cost of acquisition (WACA) of Primary issuances 18 month prior to RHP	108.86	1.46	1.54
Weighted average cost of acquisition (WACA) of secondary transactions 18 month prior to RHP	Nil	NA	NA

\* As certified by M/s. PGS & Associates and Co., Chartered Accountants, by way of their certificate dated September 16, 2024.

**BID/ISSUE SCHEDULE**

**ANCHOR INVESTOR BID/ISSUE PERIOD WEDNESDAY, SEPTEMBER 25, 2024<sup>(1)</sup>**

**BID/ISSUE OPENS ON THURSDAY, SEPTEMBER 26, 2024**

**BID/ISSUE CLOSURES ON MONDAY, SEPTEMBER 30, 2024\***

<sup>(1)</sup> Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI/ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\* UPI Mandate end time and date shall be 5:00 p.m. on the Bid/Issue Closing Date.

An indicative timetable in respect of the Issue is set out below.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10:00 am and 5:00 p.m. (Indian Standard Time ("IST"))
Bid/Issue Closing Date <sup>1</sup>	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) - For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10:00 am and 5:00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate ASBA applications made through UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10:00 am and 4:00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10:00 am and 3:00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10:00 am and 1:00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Bidders where Bid Amount is more than ₹500,000)	Only between 10:00 am and 12:00 p.m. IST

Modification/Revision/cancellation of Bids		
Modification of Bids by QIBs and Non-Institutional Bidders categories and modification/cancellation of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion <sup>2</sup>		Only between 10:00 a.m. and up to 5:00 p.m. IST on Bid/Issue Closing Date
Upward or downward Revision of Bids by RBIs		Only between 10:00 am and 5:00 p.m. IST
<sup>1</sup> UPI mandate end time and date shall be at 5:00 pm on Bid/Issue Closing Date.		
<sup>2</sup> QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.		
Post Issue Schedule:		
Event		Indicative Date
Bid/Issue Closing Date <sup>3</sup>		On or about Monday, September 30, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange		On or about Tuesday, October 01, 2024
Initiation of refunds (if any) for Anchor Investors / Unblocking of funds from ASBA Account		On or about Thursday, October 03, 2024
Credit of the Equity Shares to depository accounts of Allottees		On or about Thursday, October 03, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges		On or about Friday, October 04, 2024

<sup>(1)</sup> Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for QIB one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI/ICDR Regulations. <sup>(2)</sup> UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

**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. 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 on the respective websites of the Book Running Lead Manager and all 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 61(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 30% 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 NBIs ("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 ₹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 15% of the Net Issue shall be available for allocation to RBIs ("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 44 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.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes notification dated February 13, 2020 and read with press releases dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no. 7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

**CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS:** For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" on page 276 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see "Material Contracts and Documents for Inspection" on page 516 of the RHP.

**LIABILITY OF THE MEMBERS OF OUR COMPANY:** Limited by shares.  
**AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE:** As on the date of the RHP, the authorised share capital of our Company is ₹400,000,000 divided into 40,000,000 Equity Shares of face value of ₹10 each. The issued, subscribed and paid-up Equity Shares capital of our Company is ₹230,212,590 divided into 23,021,259 Equity Shares of face value of ₹10 each. For details of the capital structure of our Company, see "Capital Structure" on page 108 of the RHP.

**NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM:** The names of the initial signatories to the Memorandum of Association of our Company are: Allotment of 10 Equity Shares to Ashwani Kumar Marwah and 10 Equity Shares to Srinivas Bhaskar in face value of ₹100 per Equity Share. For details of the share capital history and capital structure of our Company, see "Capital Structure" on page 108 of the RHP.

**LISTING:** The Equity Shares to be issued through the RHP are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE Limited and National Stock Exchange of India Limited for the listing of the Equity Shares pursuant to letters dated July 29, 2024 and July 26, 2024, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be National Stock Exchange of India Limited. A copy of the RHP has been delivered and a copy of Prospectus shall be delivered to the Registrar of Companies, Maharashtra at Mumbai (RoC) for filing in accordance with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 516 of the RHP.

**DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"):** SEBI only gives its observations on the Issue documents and this does not constitute approval of either the Issue or the specified securities stated in the Issue Document. Investors are advised to refer to page 420 of the RHP for the full text of the disclaimer clause of SEBI.

**DISCLAIMER CLAUSE OF BSE:** It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited or does not certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 423 of the RHP for the full text of the disclaimer clause of BSE.

**DISCLAIMER CLAUSE OF NSE (the Designated Stock Exchange):** It is to be distinctly understood that the permission given by the NSE should not in any way be deemed or construed that the Issue Document has been cleared or approved by NSE, nor does it certify the correctness or completeness of any of the contents of the Issue Document. The investors are advised to refer to page 424 of the RHP for the full text of the disclaimer clause of NSE.

**GENERAL RISKS:** Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Bidders must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have neither been recommended, nor approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the Bidders is invited to "Risk Factors" beginning on page 38 of the RHP.

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

"Applications Supported by Blocked Amount" ("ASBA") is a better way of applying to offer 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.**

**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, CDP & RTA. Retail Individual Investors and Non-Institutional Investors also have the option to submit the application through the ASBA Bank (SCSBs) and 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 CBDT notification dated February 13, 2020 and press release dated June 25, 2021 read with press release dated September 17, 2021, and any subsequent press releases in this regard.

ASBA can 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 44 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](http://www.sebi.gov.in) or [www.sebi.gov.in/issuereviewer/OtherNotification.do?notificationId=179454](http://www.sebi.gov.in/issuereviewer/OtherNotification.do?notificationId=179454) and also updated from time to time. For the list of UPI agents and banks that are IPO, please refer to the link: [www.sebi.gov.in](http://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. HFC 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: [upi@npci.org.in](mailto:upi@npci.org.in).

**BOOK RUNNING LEAD MANAGER**

**UNISTONE CAPITAL PRIVATE LIMITED**  
A-305, Dnyanesh Building, 2nd Floor, Andheri East, Mumbai - 400 059, India.  
Telephone: +91 22-40548494. Facsimile: NA. Email: [info@unstonecapital.com](mailto:info@unstonecapital.com)  
Investor grievance email: [compliance@unstonecapital.com](mailto:compliance@unstonecapital.com); Contact Person: Brijesh Parekh  
Website: [www.unstonecapital.com](http://www.unstonecapital.com); SEBI registration number: INM00012449; CIN: U59999MH2019PTC303850

**REGISTRAR TO THE ISSUE**

**BIGSHARE SERVICES PRIVATE LIMITED**  
85-2, 1st Floor, Pratiksha Business Park, Next to Ahura Centre, Malabar Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra, India.  
Telephone: 022-26938200. Facsimile: 022-26938280. Email: [info@bigshareonline.com](mailto:info@bigshareonline.com)  
Investor grievance email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com); Contact Person: Babu Raghavan  
Website: [www.bigshareonline.com](http://www.bigshareonline.com); SEBI Registration Number: INR000001385; CIN: U59999MH1994PTC076534U

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

**DIFFUSION ENGINEERS LIMITED**  
T-5 & T-6, Nagpur Industrial Area, MIDC, Hingna, Nagpur - 440016 Maharashtra.  
Email ID: [cs@diffusionengineers.com](mailto:cs@diffusionengineers.com)  
Telephone: +91 9135317943. Website: [www.diffusionengineers.com](http://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-credit 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](http://www.sebi.gov.in) and is available on the websites of the BRLM, Unistone Capital Private Limited at [www.unstonecapital.com](http://www.unstonecapital.com), the website of the Company, Diffusion Engineers Limited at [www.diffusionengineers.com](http://www.diffusionengineers.com) and the websites of the Stock Exchanges, for BSE at [www.bseindia.com](http://www.bseindia.com) and for NSE Limited at [www.nseindia.com](http://www.nseindia.com).

**ESCROW COLLECTION BANK AND REFUND BANK:** ICICI Bank Limited. | **PUBLIC ISSUE BANK:** HDFC Bank Limited. | **SPONSOR BANKS:** HFC Bank Limited and ICICI Bank Limited. | **UPI:** UPI Bidders can also Bid through UPI Mechanism.

**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 9135317943; 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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and at all the Designated Brokers of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

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

**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](http://www.sebi.gov.in) as well as on the websites of the BRLM, a, Unistone Capital Private Limited at [www.unstonecapital.com](http://www.unstonecapital.com), the website of the NSE at [www.nseindia.com](http://www.nseindia.com) and the website of the BSE at [www.bseindia.com](http://www.bseindia.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 note that on the DRHP filed with the 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 from, or in a transaction not subject to, 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.

**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