

PGS & Associates

Chartered Accountants

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

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

CONSENT FROM STATUTORY AUDITOR

Date: 16/09/2024

To,

The Board of Directors

Diffusion Engineers Limited

T-5 & T-6, Nagpur Industrial Area, MIDC,
Hingna, Nagpur -440016 Maharashtra

Unistone Capital Private Limited

A/ 305, Dynasty Business Park,
Andheri-Kurla Road, Andheri East,
Mumbai – 400 059, India.

(Unistone Capital Private Limited referred to as the “Book Running Lead Manager”)

Dear Sir(s):

Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of Diffusion Engineers Limited (the “Company” and such offering, the “Issue”)

We, **PGS & Associates**, the statutory auditors of the Company, hereby consent to use in the red herring prospectus (“RHP”) and the prospectus (“Prospectus”) (collectively with the RHP and Prospectus, the “Offer Documents”), to be filed/ registered by the Company in respect of the Issue with Securities and Exchange Board of India (“SEBI”), the BSE Limited, the National Stock Exchange of India Limited (together, the “Stock Exchanges”) and the Registrar of Companies, Maharashtra at Mumbai (“RoC”), as applicable, of our (i) examination report dated 31st July 2024 on the restated consolidated financial statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022; prepared in terms of the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 (“Companies Act, 2013”) and Indian Accounting Standards referred to and notified in the Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS”), and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time and any other law as may be applicable (the “Restated Financial Statements”) and our examination report thereon dated 31 July 2024 (the “Examination Report”); (ii) the ‘Statement of Possible Special Tax Benefits’ dated 16th July 2024 applicable to the Company and its shareholders; and (iii) the certificates published in the Offer Documents which may appear in such RHP and the Prospectus, and any other document in relation to the Issue.

We also consent to references to us as “Statutory Auditors” or “Auditor” of the Company



PGS & Associates

Chartered Accountants

under the sections or headings “Definitions and Abbreviations”, “General Information”, “Other Regulatory and Statutory Disclosures” and any other sections in such RHP and the Prospectus, and any other documents to be issued in relation to the Issue, as may be required. We further consent to be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013, as statutory auditors of the Company in relation to the above-mentioned Restated Financial Statements, our examination report thereon, and the Statement of Possible Special Tax Benefits included in the Offer Documents.

We further consent to the inclusion of the following details in relation to us in the RHP and Prospectus, and any other documents to be issued in relation to the Issue:

Name: PGS & Associates.

Address: 301, Laxmi Krupa, 3rd Lokmanya Tilak Colony Road, Near Yogi Sabhagruh, Dadar (East), Mumbai: 400014

Contact Person: Premal Gandhi

Membership no.: 111592

Firm Registration Number: 122384W

telephone no.: 9324383636

Email id:premal@pgsca.in

Peer Review No.: 017921

We, hereby confirm that, we are not and have not been engaged or interested in the formation or promotion or management of the Company.

The above consents are subject to the condition that we do not accept any responsibility for any reports or matters (including information sent to Merchant Bankers) or letters included in the RHP or the Prospectus. Neither our affiliates nor we shall be liable to any investor or merchant bankers or any other third party in respect of the proposed offering. Further, the Company agrees to indemnify our affiliates and us and hold harmless from all third party (including investors and merchant bankers) claims, damages, liabilities and costs arising consequent to our giving consent.

Nothing in the preceding paragraph shall be construed to (i) limit our responsibility for or liability in respect of, the reports we have issued, covered by our consent above and are included in the RHP or the Prospectus or (ii) limit our liability to any person which cannot be lawfully limited or excluded under applicable laws or regulations or guidelines issued by applicable regulatory authorities.

We have subjected ourselves to the peer review process of the Institute of Chartered Accountants of India (the “ICAI”) and hold a valid certificate issued by the Peer Review Board of the ICAI, which will remain valid until the completion of the Issue.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,’ issued by the



PGS & Associates

Chartered Accountants

ICAI. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("ICAI") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and in accordance with 'Guidance Note on Reports in Company Prospectuses' (Revised 2019). We hereby confirm that while providing this certificate we have complied with the above guidance notes.

This letter may be relied on by the Company, the Book Running Lead Manager and the legal counsel appointed in respect of the Issue for disclosures in the RHP, the Prospectus and for clarifications/ submissions issued to any regulatory authority in relation to the Issue, including (but not limited to) RoC, the Stock Exchanges and SEBI. We also authorize you to deliver this letter of consent to the Stock Exchanges, RoC, SEBI pursuant to the provisions of Section 26 and 32 of the Companies Act, 2013 and the rules and regulations made thereunder, or any other governmental or regulatory authority as may be required.

We confirm that we will immediately inform the Company and the Book Running Lead Manager appointed as such for the purpose of the Issue, of any changes to the information stated in this letter that are brought to our attention by the Company till the date the Equity Shares of the Company commence trading on the Stock Exchanges. In the absence of any such communication, the information stated in this letter should be taken as updated information until the date of commencement of listing and trading of the Equity Shares of the Company on the Stock Exchange, pursuant to the Issue.

We represent that our execution, delivery and performance of this consent has been duly authorised by all necessary actions (corporate or otherwise).

We agree to keep the information regarding the Issue strictly confidential.

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Offer Documents.

Sincerely,

For P G S & ASSOCIATES
Chartered Accountants
Firm Registration No.: 122384W



Premal H Gandhi
Partner

Membership No: 111592

Place: Mumbai

Date: 16.09.2024

UDIN: 24111592BKBIRK1738

