

PGS & Associates

Chartered Accountants

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

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CERTIFICATE ON OBJECTS OF THE ISSUE

Date: 20/09/2024

To,
The Board of Directors
Diffusion Engineers Limited
T-5/6 MIDC, Hingna Industrial Area,
Nagpur 440016

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”)

This certificate is being issued in the context of the Issue.

(Figure in Millions)

PARTICULARS	TOTAL ESTIMATED COST AS CERTIFIED BY MANAGEMENT	TOTAL AMOUNT SPENT ON THE OBJECTS AS OF SEPTEMBER 16, 2024	TOTAL ESTIMATED AMOUNT FROM NET PROCEEDS AS CERTIFIED BY MANAGEMENT	YEAR WISE BREAK-UP OF THE EXPENDITURE	
				FISCAL 2025	FISCAL 2026
FUNDING CAPITAL EXPENDITURE REQUIREMENTS TOWARDS EXPANSION OF OUR EXISTING MANUFACTURING FACILITY (UNIT IV) AT KHAPRI (UMA), NAGPUR,	760.10 ⁽¹⁾	46.30	713.80	214.14	499.66



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PARTICULARS	TOTAL ESTIMATED COST AS CERTIFIED BY MANAGEMENT	TOTAL AMOUNT SPENT ON THE OBJECTS AS OF SEPTEMBER 16, 2024	TOTAL ESTIMATED AMOUNT FROM NET PROCEEDS AS CERTIFIED BY MANAGEMENT	YEAR WISE BREAK-UP OF THE EXPENDITURE	
				FISCAL 2025	FISCAL 2026
MAHARASHTRA					
SETTING UP OF A NEW MANUFACTURING FACILITY LOCATED AT HINGNA, SONEGAON DISTRICT, NAGPUR	348.85 ⁽¹⁾	126.02 ⁽²⁾	303.85	179.37	124.48
FUNDING WORKING CAPITAL REQUIREMENTS OF THE COMPANY	220.00	-	220.00	220.00	-

¹²Total estimated cost as per Chartered Engineer certificates in respect of Proposed Expansion and Proposed Facility both dated September 19, 2024 issued by M/s. Sandeep Mashru & Co., Independent Chartered Engineer

⁽²⁾ Out of ₹126.02 million paid by our Company from its internal accruals towards acquisition of Land for the Proposed Facility, ₹81.02 million will be recouped from Net Proceeds

We undertake to inform you and the Book Running Lead Manager promptly, in writing, in the event of any change to the above information until the Equity Shares of the Company issued pursuant to the Issue are listed and commence trading on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE" and together with BSE, the "Stock Exchanges"). In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares of the Company commence trading on the Stock Exchanges, pursuant to the Issue.

This certificate may be relied on by the Company, the Book Running Lead Manager and the legal counsel to the Issue.

This certificate is for information and for inclusion in the draft red herring prospectus, red herring prospectus and the prospectus (the "Offer Documents") to be issued by the Company in relation to the Issue. We hereby consent to aforementioned details being included in the Offer Documents and submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.



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Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus.

Sincerely,

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

PH Gandhi

Premal H Gandhi
Partner

Membership No: 111592

Place: Mumbai

Date: 20.09.2024

UDIN: 24111592BKBIRT8552

