

PGS & Associates

Chartered Accountants

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CERTIFICATE ON BUILD-UP OF SHARE CAPITAL

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, the statutory auditors of the Company, have been engaged to certify the build-up in the shareholding of Diffusion Engineers Limited since incorporation of the Company, including details such as the nature of issue, date of allotment/transfer, number of shares, face value, issue price/ transfer price, and such other information as set out in **Annexure A**.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India.

Accordingly, based on the information and explanation and on review of the (a) Form 2 (Return of Allotment) pursuant to Section 75(1) of the Companies Act, 1956, as amended (for allotments since inception to March 31, 2014) and Form PAS-3 pursuant to Section 39(4) 42 and 62 of the Companies Act, 2013, as amended, and Rule 12 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (for allotments since April 1, 2014) along with extracts of relevant board and shareholder resolutions; (b) Form SH-7 pursuant to Section 64(1) of the Companies Act, 2013, as amended and Rule 15 of the Companies (Share Capital and Debenture Rules), 2014, as amended; and (c) share allotment and share transfer registers, minutes of the meetings of the Board of Directors of the Company, minutes of annual general meeting and extra-ordinary general meetings of the Company, bank account statements, relevant filings with the Reserve Bank of India, demat transfer statements, share transfer forms, income tax returns, delivery instruction slips, any other forms filed with any regulatory authority, relevant statutory registers and other documents and accounts



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presented to us by the Company.

Further, with reference to captioned subject, we confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context and will enable investors to make a well-informed decision and forms adequate disclosure for the purpose of incorporation in the draft red herring prospectus, red herring prospectus and the prospectus intended to be filed by the Company with SEBI, the stock exchanges and the Registrar of Companies, Maharashtra at Mumbai, with respect to the said Issue.

Further, we certify that the Company does not have Employee Stock Option Schemes as on the date of this certificate.

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 Institute of Chartered Accountants of India ("ICAI"). We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the 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 certificate may be relied on by the Company, Book Running Lead Manager and the legal counsel in relation to the Issue.

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

PH Gandhi



Premal H Gandhi
Partner
Membership No: 111592
Place: Mumbai
Date: 16.09.2024
UDIN: 24111592BKBIQK1637

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Annexure A

Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	List of Allottees ¹	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
November 05, 1982	20	100	100	Cash	Allotment of Equity Shares to: 1. Ashwani Kumar Manek - 10 2. Sanjeev Bhaskar -10	20	2000
August 12, 1983*#	1,210	100	100	Cash	Allotment of Equity Shares to: 1. Raju Mirchandani – 250 2. Sanjeev Bhaskar – 240 3. Ashwani Manek – 240 4. N.S. Gopalakrishnan – 180 5. S.R. Nathan – 150 6. Narendra Kumar Garg – 150	1,230	123,000
March 02, 1985*#	420	100	100	Cash	Allotment of Equity Shares to: 1. G.G. Trasi - 250 2. S.R. Nathan - 100	1,650	165,000

¹ [TBP – Full names of the Allottees]



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Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	List of Allottees ¹	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
					3. Narendra Kumar Garg - 70		
March 28, 1985*#	100	100	100	Cash	Allotment of Equity Shares to: 1. N.S. Gopalakrishnan - 70 2. Narendra Kumar Garg - 30	1,750	175,000
March 28, 1985*#	250	100	100	Cash	Allotment of Equity Shares to: 1. A.T. Harinath - 250	2,000	200,000
October 28, 1985*#	250	100	100	Cash	Allotment of Equity Shares to: 1. C. V. S Sundaresan - 250	2,250	225,000
October 28, 1985*#	270	100	100	Cash	Allotment of Equity Shares to: 1. A.T. Harinath - 100 2. Narendra Kumar Garg - 70 3. N.S. Gopalakrishnan - 50 4. G.G. Trasi - 50	2,520	252,000
September	1,000	100	100	Cash	Allotment of	3,520	



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17, 1987*#					Equity Shares to: 1. N.S. Gopalakrishnan - 250 2. Narendra Kumar Garg - 250 3. G.G. Trasi - 250 4. A.T. Harinath - 250		352,000
January 21, 1989	600	100	100	Cash	Allotment of Equity Shares to: 1. Narendra Kumar Garg - 200 2. A.T. Harinath - 200 3. N.S. Gopalakrishnan - 200	4,120	412,000
September 04, 1989^#	300	100	100	Cash	Allotment of Equity Shares to: 1. N.S. Gopalakrishnan - 100 2. Narendra Kumar Garg - 100 3. A.T. Harinath - 100	4,420	442,000
February 06, 1991*#~	2,085	100	-	Other than Cash	Allotment of Equity Shares to:	6,505	650,500



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					<ol style="list-style-type: none"> N.S. Gopalakrishnan - 697 Narendra Kumar Garg - 694 A.T. Harinath - 694 		
February 06, 1991*#	1,300	100	100	Cash	Allotment of Equity Shares to: <ol style="list-style-type: none"> N.S. Gopalakrishnan - 500 N.K Garg - 500 A.T Harinath - 300 	7,805	780,500
March 27, 1992*#	1,150	100	100	Cash	Allotment of Equity Shares to: <ol style="list-style-type: none"> N.K Garg - 500 N.S. Gopalakrishnan - 500 A.T Harinath - 150 	8,955	895,500
March 27, 1992*#	3,450	100	100	Cash	Allotment of Equity Shares to: <ol style="list-style-type: none"> Diffusion Super-Conditioning Services Private 	12,405	1,240,500



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<i>Date of Allotment of Equity Shares</i>	<i>Number of Equity Share</i>	<i>Face Value per Equity Share (₹)</i>	<i>Issue Price per Equity Share (₹)</i>	<i>Nature of Consideration (Cash/Other than Cash)</i>	<i>List of Allottees¹</i>	<i>Cumulative Number of Equity Shares</i>	<i>Cumulative Equity Share Capital (₹)</i>
					Limited – 1000 2. N. K. Garg HUF – 500 3. Avtar Singh Bumrah – 250 4. V. K. Bahl jointly with Asha Bahl – 250 5. Jayanta Bose – 250 6. Chitra Garg – 250 7. Dilip Sundar – 250 8. Tara Gopalkrishna n – 250 9. Saraswathi Gopalkrishna n – 250 10. V. V. Balaji – 100 11. Sunil Puniyani – 100		
March 27, 1992*#	1,170	100	125	Cash	Allotment of Equity Shares to: 1. Rajesh Shah jointly with Poonam Shah – 300 2. S Venkatramani – 200	13,575	1,357,500



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					3. Gautam Desai - 140 4. Neeraj Sabharwal - 100 5. Deepak Sabharwal jointly with Amita Sabharwal - 100 6. Krishnasamy - 80 7. K Subrahmania - 50 8. G Venkatramani - 40 9. Kavita Shanbagh - 40 10. Vijaya Randhir - 40 11. Ajay Patki jointly with Amita Ajay Patki - 40 12. R J Gohokar - 20 13. B K Gohokar - 20		
March 31, 1992*#+~	3,022	100	-	Other than Cash	Allotment of Equity Shares to:	16,597	1,659,700



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					1. N.S. Gopalakrishnan - 1036 2. N.K Garg - 1033 3. A.T Harinath - 953		
March 31, 1992*#	340	100	100	Cash	Allotment of Equity Shares to: 1. Chitra Garg - 340 ²	16,937	1,693,700
April 21, 1992*#~	125	100	-	Other than Cash	Allotment of Equity Shares to: 1. Vidhya Nathan - 125	17,062	1,706,200
April 21, 1992*#~	150	100	-	Other than Cash	Allotment of Equity Shares to: 1. Vidhya Nathan - 150	17,212	1,721,200
March 31, 1993*#	340	100	100	Cash	Allotment of Equity Shares to: 1. Saraswathi Gopalkrishnan - 340	17,552	1,755,200
August 12, 1993*# ³	17,552	100	-	Other than Cash	Refer Table (A) below.	35,104	3,510,400
September 20,	17,552	100	-	Other than	Refer Table (B) below.	52,656	5,265,6

² [TBD - Issuer & BRLM - Date in member register for allotment of CG shares is 31.03.1992. As per Company it should be 31.03.1993]

³ [TBD - Issuer & BRLM - Board Meeting Minutes]



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1994*#				Cash			00
November 18, 1994	Pursuant to a resolution passed by our shareholders on November 18, 1994, the equity shares of our company of the face value ₹100 each were sub-divided into equity shares of face value ₹10 each.					52,656	5,265,600
February 22, 1995*# ⁴	326,556	10	[•] ⁵	Other than Cash	Allotment of Equity Shares to: 1. Chitra Garg – 163,278 2. Saraswathi Gopalkrishnan – 163,278	853,116	8,531,160
March 18, 1995@ ⁶	208,060	10	15	Cash	Refer Table (C) Below	1,061,176	10,611,760
September 05, 1996*#	20,000	10	12	Cash	Allotment of Equity Shares to: 1. N.S. Gopalakrishnan – 10,000 2. Narendra Kumar Garg – 10,000	1,081,176	10,811,760
March 26, 1997*#	623,700	10	30	Cash	Allotment of Equity Shares to: 1. Nandi Investments Limited – 623,700	1,704,876	17,048,760
July 08, 1997*#	364,737	10	30	Cash	Allotment of Equity Shares to:	2,069,613	20,696,130

⁴ [TBD – Partly/Fully Paid up.]

⁵ [TBP – Company]

⁶ [TBP – Allotment resolution. Relationship of the allottees with the Company]



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Date of Allotment of Equity Shares	Number of Equity Share	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/Other than Cash)	List of Allottees ¹	Cumulative Number of Equity Shares	Cumulative Equity Share Capital (₹)
					1. CorodurVerschleiss-Schutz GmbH-364,737		
July 19, 2001	(472,150)	10	35.62	Cash	Buy-back of Equity Shares to: 1. G Venkatramani - 1700 2. A R Tambe - 100 3. Sunil Chandani - 250 4. J Srinivasan - 100 5. R Raju Bharat - 1000 6. M Kumar - 2,000 7. Nandi Investments Limited - 466,000 8. Sohan Goel - 1000	1,597,463	15,974,630
November 09, 2003 [^]	399,368	10	-	Other than Cash	Refer Table (D) below.	1,996,831	19,968,310
December 22, 2005 [#]	199,683	10	40	Cash	Refer Table (E) below.	2,196,514	21,965,140
November 25, 2006	549,128	10	-	Other than Cash	Refer Table (F) below.	2,745,642	27,456,420
December	343,2	10	40	Cash	Refer Table (G)	3,088,84	30,888,



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22, 2007 ⁷	05				below.	7	470
August 09, 2008 ⁸	30,850 ⁹	10	40	Cash	Refer Table (H) below.	3,119,697	31,196,970
November 17, 2008+	617,770	10	-	Other than Cash	Refer Table (I) below.	3,737,467	37,374,670
October 11, 2023 ¹⁰	265,570	10	762	Cash	Allotment of Equity Shares to: 1. Brijesh Parekh HUF – 52400 2. Het Mehta – 52400 3. Yogesh Sanghavi – 52400 4. Ajay Sangani – 39370 5. Prashant Garg – 26200 6. Chitra Garg – 26200 7. Neelu Garg – 3200 8. Ajay Jain – 3200 9. Anubhav Garg – 2600 10. Daksha Jain – 2200	4,003,037	40,030,370

⁷ [TBD – Allotment Letter]

⁸ [TBP – Shareholders resolution]

⁹ [TBD – no. of shares.]

¹⁰ [TBP – Bank Statement, MGT-14 for allotment of shares]



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					11. Abhishek Mehta – 1300 12. Vinod Kukreja – 1300 13. Sarika Dhokne – 1300 14. Lata Kawde – 1000 15. Kriti Singhal – 500		
November 29, 2023	24,018,222	10	-	Other than Cash	Refer Table (J) below.	28,021,259	280,212,590

