

July 03, 2024

Corporation Finance Department
RAC- Division of Issue and Listing - 1
Securities and Exchange Board of India
 SEBI Bhavan I, Plot No..C4-A, G Block,
 Bandra Kurla Complex, Bandra (East),
 Mumbai - 400 051

Kind Attn: Sanjukta Mahala, Asst. General Manager.

Respected Madam,

Re: Proposed Initial Public Offering (“Issue”/ “IPO”) of Diffusion Engineers Limited (the “Company” or the “Issuer”)

We refer to the additional clarifications sought by your office on the subject.

Based on the information and documents made available to us by the Company and the declarations, certifications, confirmations and undertakings given by the Company and practicing company secretary, etc. and examination thereof by us, we hereby submit our response below:

Sr. No.	Observations	Response	Requiring changes in the uDRHP / RHP
1.	Please provide detailed write up with respect to exit offer provided in the matter of allotment to more than 49 persons along with Auditor or PCS certificate confirming compliance of SEBI circular. Also, provide LM confirmation regarding compliance with SEBI circular dated December 31, 2015. Also, confirm except above allotment there have been no such instances	<p>A detailed write-up on the exit offer provided in the matter of the allotment dated August 11, 2008 (“said allotment”) is enclosed herewith as Annexure A.</p> <p>We confirm that the aforesaid exit offer process was undertaken by the Issuer in compliance with the provisions of SEBI’s Circulars dated December 31, 2015 and May 03, 2016 and the press release dated November 30, 2015 (collectively, “SEBI Circulars”).</p> <p>The PCS Certificate and BRLM’s confirmation with respect to compliance with the SEBI Circulars are enclosed as Annexure B and Annexure C respectively.</p> <p><i>We further confirm that except for the said allotment, there have been no instances of issuance of equity shares in the past by the Issuer in violation of Section 67(3) of Companies Act, 1956; relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; the SEBI Regulations; or the SEBI (Disclosure and Investor Protection) Guidelines, 2000.</i></p>	No



UNISTONE CAPITAL PRIVATE LIMITED

CIN - U65999MH2019PTC330850



Registered Office : A/305, Dynasty Business Park,
 Andheri Kurla Road, Andheri East, Mumbai - 400059.



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2.	For RF 39 – Please elaborate details regarding the persons from whom transfers were made alongwith NRI or foreigner status of the individual, and with respect to LSN Diffusion, kindly provide clarity.	<p>Noted for compliance. We hereby undertake to modify the Risk Factor no. 39 in the uDRHP, RHP and Prospectus as follows:</p> <p><i>“There have been some instances of incorrect or delayed filings under the RBI Regulations in the past which may attract penalties.</i></p> <p><i>There have been instances of delays in filing Form FC-TRS with the RBI for (i) transfer of 10,000, 75,000, 30,000, 50,000, 50,000 Equity Shares from Manfred Kluge (Person resident outside India) to our Promoter, Prashant Garg on November 10, 2009, August 21, 2013, August 10, 2016, January 20, 2017, March 24, 2017 at the price of ₹100/-, ₹130, ₹137, ₹137 and ₹137/- for each share respectively; (ii) transfers of 10,000 and 30,000 Equity Shares from Manfred Kluge (Person resident outside India) to our Promoters, Chitra Garg and Dr. Nitin Garg on November 10, 2009 and December 21, 2016, at the price of ₹100/- and ₹137/- for each share respectively; (iii) transfer of 22,514 and 25,000 Equity Shares from Marion Busch (Person resident outside India) and Steffanie Kummerow (Person resident outside India), respectively to our Promoter, Prashant Garg on August 21, 2013 at the price of ₹130/- for each share; and (iv) transfer of 120,115 Equity Shares from Manfred Kluge (Person resident outside India) to Narendra Kumar Garg on November 10, 2009 at the price of ₹100/- for each share. As per the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (since repealed), as applicable at the relevant time, in case of transfer of shares of an Indian company by way of sale from a person resident in India to a person resident outside India or vice versa, the transferor/ transferee, resident in India, is required to submit to the Authorized Dealer bank a report in the Form FC-TRS. The onus of submitting Form FC-TRS within the prescribed timeframe is on the transferor / transferee, resident in India.</i></p> <p><i>In Form ODI filed by our Company for reporting with respect to the remittance of USD 75,000 made by it on October 10, 2013 to LSN Diffusion Limited, our associate company on October 10, 2013, the currency of financial commitment currency has been inadvertently reported as Pound Sterling / GBP instead of</i></p>	Yes
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		<p><i>USD. The subsequent investments made by our Company in LSN Diffusion Limited have been made in Pound Sterling / GBP. Further, in the Annual Performance Reports filed by our Company with RBI, the investments in LSN Diffusion Limited have been reported in Pound Sterling. For the purpose of this Draft Red Herring Prospectus, we have relied on documents such as bank statements for disclosing the Company's investment in LSN Diffusion Limited.</i></p> <p><i>Although...."</i></p>	
3.	Page 175 - Offer expenses - With regard to the other expenses, LM is advised to disclose the services for expenses under miscellaneous expenses.	<p>We undertake to disclose the following expenses as part of Miscellaneous Expenses on Page 175:</p> <p><i>"Miscellaneous (fees payable to statutory auditor, chartered engineer, architect, Industry report agency etc.)"</i></p>	Yes

We request you to kindly take the same on record.

Thanking you,

Sincerely,
For Unistone Capital Private Limited



Brijesh Parekh
Director