



Diffusion Engineers IPO

Diffusion Engineers IPO Price: ₹159 to ₹168 per share
IPO Dates: 26 September 2024 - 30 September 2024



Company Overview

Founded on November 5, 1982, Diffusion Engineers Limited (DEL) is engaged in the manufacturing of welding consumables, wear plates, wear parts, and heavy engineering machinery. The company caters to core industries such as cement, steel, power, mining, engineering, oil & gas, and sugar. With over four decades of experience, Diffusion Engineers has established itself as a leader in providing specialized repair and reconditioning services for heavy machinery and equipment.

Product and Service Offerings

Diffusion Engineers manufactures a wide range of products essential for heavy industries. These include welding consumables like special purpose electrodes and flux-cored wires, which are crucial for the production of wear plates used in industrial machinery. The company also produces coatings that enhance abrasion and corrosion resistance. In addition to manufacturing, DEL is involved in trading anti-wear powders, welding, and cutting machinery. The company's specialized services help extend the service life of machinery and reduce production costs.

Synergistic Forward Integration

One of the key strengths of Diffusion Engineers is its forward integration strategy. The company produces its own electrodes and flux-cored wires, which are then utilized in the production of wear-resistant plates. These plates are vital components in the manufacturing of industrial equipment, especially in heavy engineering

divisions. This integration not only improves efficiency in production but also reduces costs and minimizes dependence on third-party suppliers.

Manufacturing Units and Locations

Diffusion Engineers operates four manufacturing units, all strategically located in Nagpur, Maharashtra. Units I, II, and III are based in the Nagpur Industrial Area, Hingna, while Unit IV is located in Khapri (Uma), Nagpur. Each unit specializes in different aspects of production:

- **Unit I:** Manufacturing of welding electrodes for special applications.
- **Unit II:** Production of flux-cored wires, wear plates, and parts through fabrication and machining.
- **Unit III:** Surface coatings for abrasion and corrosion resistance.
- **Unit IV:** Expanded operations in flux-cored wires, wear plates, and heavy engineering.

Global Presence and Export Markets

DEL has established a global footprint through its subsidiaries in Singapore, Turkey, and the Philippines, and joint ventures in the United Kingdom and Malaysia. The company exports its products to various international markets, including Singapore, Uganda, Kenya, Nepal, Malaysia, the United Arab Emirates, and the United States. Over the last three fiscal years, DEL has expanded its presence to 30 countries, solidifying its position in the global market.

Competitive Strengths

Diffusion Engineers' competitive advantage stems from its forward integration business model and long-standing relationships with major players across industries. The company has demonstrated consistent financial performance, supported by experienced promoters and a strong management team. Additionally, DEL's strategically located manufacturing facilities allow it to serve customers efficiently and enhance its supply chain control.

Diffusion Engineers IPO Specifics:

| | |
|--------------------------|--|
| IPO Date | September 26, 2024 to September 30, 2024 |
| Listing Date | Friday, October 4, 2024 |
| Face Value | ₹10 per share |
| Price Band | ₹159 to ₹168 per share |
| Lot Size | 88 Shares |
| Total Issue Size | 9,405,000 shares (aggregating up to ₹158.00 Cr) |
| Fresh Issue | 9,405,000 shares (aggregating up to ₹158.00 Cr) |
| Employee Discount | ₹8 per share |
| Issue Type | Book Built Issue IPO |
| Listing At | BSE, NSE |
| Share holding pre issue | 28,021,259 |
| Share holding post issue | 37,426,259 |

Diffusion Engineers IPO Timetable (Important Dates)

| | |
|---|------------------------------|
| IPO Open Date | Thursday, September 26, 2024 |
| IPO Close Date | Monday, September 30, 2024 |
| Basis of Allotment | Tuesday, October 1, 2024 |
| Initiation of Refunds | Thursday, October 3, 2024 |
| Credit of Shares to Demat | Thursday, October 3, 2024 |
| Listing Date | Friday, October 4, 2024 |
| Cut-off time for UPI mandate confirmation | 5 PM on September 30, 2024 |

Diffusion Engineers IPO Lot Size

Bidders have the opportunity to bid for a minimum of 88 shares, with the option to increase in multiples. The table below outlines the minimum and maximum investment thresholds for both retail investors and High Net Worth Individuals (HNIs), specifying the corresponding number of shares and amounts involved.

| Application | Lots | Shares | Amount |
|--------------|------|--------|------------|
| Retail (Min) | 1 | 88 | ₹14,784 |
| Retail (Max) | 13 | 1,144 | ₹1,92,192 |
| S-HNI (Min) | 14 | 1,232 | ₹2,06,976 |
| S-HNI (Max) | 67 | 5,896 | ₹9,90,528 |
| B-HNI (Min) | 68 | 5,984 | ₹10,05,312 |

Diffusion Engineers IPO Reservation

| | |
|--------------------------|------------------------------------|
| QIB Shares Offered | Not more than 50% of the Net offer |
| Retail Shares Offered | Not less than 35% of the Offer |
| NII (HNI) Shares Offered | Not less than 15% of the Offer |

Don't Miss Out!

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Diffusion Engineers Limited IPO Financial Information

Diffusion Engineers Limited witnessed a notable 10% growth in revenue and a substantial 39% surge in profit after tax (PAT) from the fiscal year concluding on March 31, 2023, to March 31, 2024.

| Period Ended | 31 Mar 2022 | 31 Mar 2023 | 31 Mar 2024 |
|----------------------|-------------|-------------|-------------|
| Assets | 189.55 | 230.34 | 275.59 |
| Revenue | 208.75 | 258.67 | 285.56 |
| Profit After Tax | 17.05 | 22.15 | 30.8 |
| Net Worth | 120.65 | 142 | 190.7 |
| Reserves and Surplus | 117.34 | 138.39 | 163.03 |
| Total Borrowing | 24.6 | 48.09 | 34.44 |

Amount in ₹ Crore

Key Performance Indicator - Diffusion Engineers IPO

| KPI | Values |
|---------------|--------------|
| Market Cap | ₹ 628.76 Cr. |
| EPS | ₹10.99 |
| P/E (x) | 15.28 |
| ROE | 18.52% |
| ROCE | 20.63% |
| Debt / Equity | 0.18 |
| RoNW | 18.52% |
| P/BV | 2.47 |

as of Mar 31, 2024

Objects of the Issue:

The Company plans to use the net proceeds from the issue for the following purposes:

1. Funding capital expenditure for the expansion of its existing manufacturing facility located at Khasra No. 36, 38/1, 38/2, 38/3, Khapri (Uma), Nagpur-441 501, Maharashtra (Proposed Expansion);
2. Establishing a new manufacturing facility at Plot Nos. 33-B/1/1/ & 33-B/1/1/Part, MIDC, Hingna, Sonegaon District, Nagpur-440 016, Maharashtra (Proposed Facility);
3. Meeting the Company's working capital requirements;
4. General corporate purposes.

Prospectus Links:

Prospectus: Official documents that provide detailed information about the IPO and the company.

[Diffusion Engineers Limited IPO DRHP.](#)

[Diffusion Engineers Limited IPO RHP.](#)