



NOTICE OF THE FORTIETH (40th) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 40TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE DIFFUSION ENGINEERS LIMITED [CIN - U99999MH2000PLC124154] WILL BE HELD ON SHORTER NOTICE ON TUESDAY ON 27TH SEPTEMBER, 2022 11.00 A.M. AT REGISTERED OFFICE AND SIMULTANEOUSLY CO - ORDINATED THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO-VISUAL MEANS ("OAVM") FROM T-5 & 6, MIDC, HINGANA NAGPUR - 440 038 TO TRANSACT THE FOLLOWING BUSINESS: -

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements for the year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of Rs.2 per equity share and to approve the interim dividend of Rs. 2 per equity share already paid during the year, for the year ended March 31, 2022.
3. To appoint a Director in place of Dr. Renuka Garg (DIN - 02815373) who retires from the office by rotation and being eligible, offers herself for re - appointment.

SPECIAL BUSINESS:-

4. Ratification of Remuneration payable to the Cost Auditors for the Financial Year 2022 - 23

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:



DIFFUSION ENGINEERS LIMITED

Regd. Office : T-5 & 6, M.I.D.C., Hingna Industrial Area, Nagpur - 440 016, Maharashtra, INDIA
[t] 091-7104-232820, 234727, 236772 [f] 091-7104-232085, CIN : U99999MH2000PLC124154
[e] info@diffusionengineers.com, [w] www.diffusionengineers.com GSTIN : 27AAACD8008L1ZK

Branches At : Ahmedabad • Chennai • Chittorgarh • Faridabad • Jamshedpur • Kolkata • Pune • Raipur • Secunderabad

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re - enactment thereof, for the time being in force), the Company hereby ratifies the remuneration of Rs.50,000/- (Rupees Fifty Thousand only) plus applicable taxes and reimbursement of travel and out of pocket expenses, to be paid to **M/s A. B. Verma & Co., Cost Accountants, Nagpur (Firm Registration No. 102527/ Membership No. 31367)**, who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2023.

RESOLVED FURTHER THAT the Board (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Revision in the remuneration of director’s relative to hold office in the company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

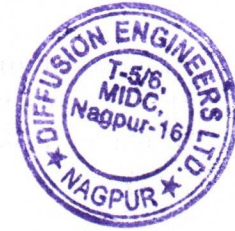
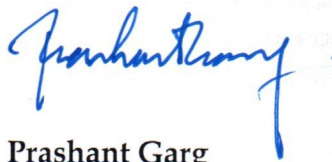
“RESOLVED THAT pursuant to Section 188[1] of the Companies Act, 2013 read with rule 15 of Companies [Meetings of Board and Its Powers] Rules, 2014 and other applicable provisions, if any, including any statutory modification[s] or re-enactment[s] thereof for the time being in force, the consent of the Company be and is hereby accorded for revision in the remuneration (excluding reimbursement of expenses, if any) of Mrs. Neelu Garg who is relative of Director and holds office or place of profit in the Company with the designation as General Manager - Procurement, to Rs. 4,60,000 per month with effect from 1st April 2023 and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration from time to time, within the limits approved by the Members and subject to such approvals, as may be necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company and any person/authority authorized by the Board of Directors of the Company be and is

hereby authorised to promote her to higher cadres and/or to sanction her increments and/or accelerated increments within the said cadre or higher cadre as and when the Board of Directors deem fit, subject, however, to the rules and regulations of the Company, in force, from time to time, as may be required in this regard.

RESOLVED FURTHER THAT any of Directors of the Company be and are hereby authorized severally to execute and perform such acts, deeds, matters and things as may be necessary to give such directions as may be desirable that may arise in giving effect to this resolution."

For and on behalf of Board of Directors
Diffusion Engineers Limited



Date: 21.09.2022.
Place: Nagpur

Prashant Garg
Chairman & Managing Director
(DIN - 00049106)

NOTES:-

- a) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

A person appointed as a proxy shall act on behalf of such number of Member(s) not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company, carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

- b) In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility / Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the MCA Circulars, the 40th AGM of the Company is being held at Registered Office and simultaneously through VC/OAVM on Tuesday, September 27, 2022 at 11.00 a.m. (IST). The venue of the proceedings of the 40th AGM shall be the Registered Office of the Company at T-5 & 6, MIDC, Hingana Nagpur - 440 038
- c) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Item No.4 and 5 set out above is annexed hereto and forms part of this notice.

- d) All relevant documents referred to in this notice and the explanatory statement will be available for inspection by the members at the registered office of the Company during normal business hours on all working days [except Saturday(s) and Sunday(s) and public holiday(s)] up to the date of the AGM and during the continuance of AGM.

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice dated 21st September, 2022

Item No. 4

Pursuant to the provisions of Section 148 of the Companies Act, 2013 ("the Act"), read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

The Board of Directors of your Company has, on the recommendation of the Audit Committee, approved the appointment of **M/s A. B. Verma & Co., Cost Accountants, Nagpur (Firm Registration No. 102527/ Membership No. 31367)**, as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2023, at a remuneration of Rs. 50,000/- plus applicable taxes and reimbursement of travel and out of pocket expenses.

M/s A. B. Verma & Co., Cost Accountants, Nagpur (Firm Registration No. 102527/ Membership No. 31367), have the necessary experience in the field of cost audit and have submitted a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

As per the provisions of Section 148 of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing the resolution as set out in Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2023.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board accordingly recommends the ordinary resolution as set out in Item No. 4 of this Notice for your approval.

Item No.5

In accordance with the provisions of Section 188[1] of the Companies Act, 2013, which govern the related party transaction, it is required for the Company to obtain prior approval of the Board of Directors and Shareholders for the revision in the remuneration of Related Party who hold any office or place of office.

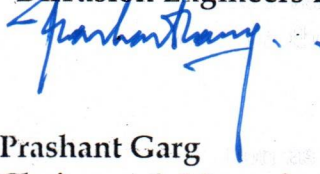
The board of directors of the Company approved the revision in the remuneration of Mrs Neelu Garg as General Manager of Purchase Department of the Company (excluding reimbursement of expenses, if any) to Rs. 4,60,000 per month w.e.f 01.04.2023, subject to the approval of the shareholders by way of an Ordinary Resolution.

Neelu Garg has completed Master of Business Administration (MBA) from Department of Management studies and Research and have expertise in delivering Business and Financial Services. Mrs. Neelu Garg is managing purchase department of Diffusion Engineers Limited since 2015 and is instrumental in reducing purchase cost and availing benefits of economies of scale. Since beginning she was working under Shri N.K.Garg. She was entrusted to take care of the Purchases of the company. She started with managing purchases of plant at T5/6, Hingna and over the years she has proved her capability. After the sad demise of our Founder, Shri N.K. Garg, she was handed over the purchase department of N78/79 plant as well. Currently she is taking care of the purchase of the company.

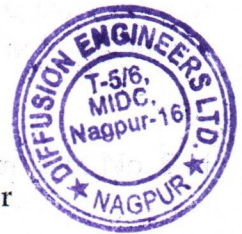
None of the Directors and Key Managerial Personnel or their relatives are, concerned or interested, in the said resolution, except to the extent of their shareholding in the Company.

The Board accordingly recommends the ordinary resolution as set out in Item No. 5 of this Notice for your approval.

For and on behalf of Board of Directors
Diffusion Engineers Limited



Prashant Garg
Chairman & Managing Director
(DIN - 00049106)



Date: 21.09.2022.
Place: Nagpur