



NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF THE DIFFUSION ENGINEERS LIMITED [CIN - U99999MH2000PLC124154] WILL BE HELD AT SHORTER NOTICE ON 7th DAY OF DECEMBER, 2023 AT 2:00 P.M. AT ITS REGISTERED OFFICE AND SIMULTANEOUSLY CO - ORDINATED THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO-VISUAL MEANS ("OAVM") FROM T-5 & 6, MIDC, HINGANA NAGPUR - 440 016 TO TRANSACT THE FOLLOWING BUSINESS: -

SPECIAL BUSINESS:-

1. To make revision in the remuneration of Chairman & Managing Director (MD)

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

"RESOLVED THAT, subject to the provisions of sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") and rules made there under (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V made thereunder and on recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, consent of members of the company be and is hereby accorded to the revision in the remuneration of Mr Prashant Garg (DIN - 00049106), Managing Director and Chairman of the company with effect from 30th November, 2023 for a period up to 15th March 2025 which is as under :-

- A) Basic Salary: Rs 20 lakh per month
- B) In addition to the basic salary referred to in (A) above, the Managing Director shall be entitled to:
- a. Hospitalisation, Transport, Telecommunication and other facilities:
- (i) Hospitalisation and major medical expenses for self, spouse and dependent (minor) children;
 - (ii) 2 Car, with chauffeur provided, maintained by the Company for official and personal use.
 - (iii) Telecommunication facilities including broadband, internet and fax.
 - (iv) Payment of Electricity and water charges of residence.
 - (v) Club membership fees upto Rs. 15 lakhs p.a.
 - (vi) One employer employee policy of Mr. Prashant Garg up to Rs. 10 Crore of sum insured.



DIFFUSION ENGINEERS LIMITED

Regd. Office : T-5 & 6, M.I.D.C., Hingna Industrial Area, Nagpur - 440 016, Maharashtra, INDIA

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[e] info@diffusionengineers.com, [w] www.diffusionengineers.com **GSTIN : 27AAACD8008L1ZK**

- b. Other perquisites and allowances given below;
 - (i) Leave Travel Concession/Allowance- Rs. 10 lakh p.a to be given on half yearly basis.
- c. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the rules of the Company.
- d. The Managing Director shall be entitled to leave in accordance with the rules of the Company. Privilege Leave earned but not availed by the Managing Director is encashable in accordance with the rules of the Company.

RESOLVED FURTHER THAT the Duties and power of Managing Director and other terms and conditions of his employment be such as provided in the service agreement circulated along with the notice of meeting.

RESOLVED FURTHER THAT in the event in any financial year during the tenure of the Managing Director, the company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Managing Director, the above remuneration as the minimum remuneration by way of salary and allowances as specified above and subject to the receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorised to do all such acts, deed, matters and things, as they may in their absolute discretion deem necessary, proper or desirable including but not limited to filing the requisite Form DIR – 12 and settle any question, difficulty or doubt that may arise in the said regard.”

2. Appointment of Mr Anil Kumar Trigunayat (DIN: 07900294) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors the consent of the members be and is hereby accorded for appointment of Mr. Anil Kumar Trigunayat (DIN: 07900294), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and is eligible for appointment in the capacity of an Independent Director of the Company, be and is hereby, appointed as a Non-Executive Independent Director of the Company not

liable to retire by rotation, to hold office for a period of five years with effect from November 30, 2023."

"RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorised to do all such acts, deed, matters and things, as they may in their absolute discretion deem necessary, proper or desirable including but not limited to filing the requisite Form DIR – 12 and settle any question, difficulty or doubt that may arise in the said regard."

3. Appointment of Ms. Chitra Garg (DIN – 01784644) as Non-Executive Director

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152, and other applicable provisions of the Companies Act, 2013 (the Act), and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors the consent of the members of the Company be and is hereby accorded that Ms. Chitra Garg (DIN – 01784644) who was appointed as an Additional Non-Executive Director of the Company by the Board of Directors pursuant to Section 161 (1) of the Companies Act, 2013 and whose term of office expires at the General Meeting be and is hereby, appointed as a Non-Executive Director of the Company, subject to retirement by rotation.

RESOLVED FURTHER THAT any one of the Directors of the Company be and are hereby severally authorised to do all such acts, deed, matters and things, as they may in their absolute discretion deem necessary, proper or desirable including but not limited to filing the requisite Form DIR – 12 and settle any question, difficulty or doubt that may arise in the said regard."

**For and on behalf of Board of Directors
Diffusion Engineers Limited**

**Date: 06th December, 2023
Place: Nagpur**

Chanchal
**Chanchal Jaiswal
Company Secretary
(Membership No-A67136)**



NOTES:-

- a) The Ministry of Corporate Affairs ('MCA') has vide its General Circulars dated April 8, 2020, April 13, 2020, June 15, 2020, September 29, 2020, December 31, 2020, June 23, 2021 and December 08, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as 'MCA Circulars') permitted the holding of the Extra Ordinary General Meeting ('EOGM') 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, EOGM of the Company is being held at Registered Office and simultaneously through VC/OAVM on Thursday, December 7, 2023 at 2.00 p.m. (IST). The deemed venue of the proceedings of the EOGM shall be the Registered Office of the Company at T-5 & 6, MIDC, Hingana Nagpur - 440 016
- b) The attendance of the Shareholders attending the EOGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- c) Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Item No.1,2,3 set out above is annexed hereto and forms part of this notice.

ANNEXURE TO THE NOTICE OF EXTRA-ORDINARY 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. 1 Item No.2 and Item No.3 of the accompanying Notice dated 6th December 2023

Item No. 1 - To make revision in the remuneration of Chairman & Managing Director (MD)

The Nomination and Remuneration Committee, in its meeting held on 30th November, 2023 recommended and the Board of Directors, in its meeting held on 30th November, 2023 approved the revision in remuneration of Mr. Prashant Garg Managing Director with effect from November 30, 2023 as under:-

- A) Basic Salary: Rs 20 lakh per month

- B) In addition to the basic salary referred to in (A) above, the Managing Director shall be entitled to:
 - a. Hospitalisation, Transport, Telecommunication and other facilities:
 - Hospitalisation and major medical expenses for self, spouse and dependent (minor) children;
 - 2 Car, with chauffeur provided, maintained by the Company for official and personal use.
 - Telecommunication facilities including broadband, internet and fax.
 - Payment of Electricity and water charges of residence.
 - Club membership fees upto Rs. 15 lakhs p.a.
 - One employer employee policy of Mr. Prashant Garg up to Rs. 10 Cr of sum insured.

 - b. Other perquisites and allowances given below;
Leave Travel Concession/Allowance -10 lakh p.a to be given on half yearly basis.

 - c. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the rules of the Company.

 - d. The Managing Director shall be entitled to leave in accordance with the rules of the Company. Privilege Leave earned but not availed by the Managing Director is encashable in accordance with the rules of the Company..

Mr. Prashant Garg is a B.E Industrial engineering – 2nd University Topper from Nagpur University and has done MBA from said Business School Oxford University. Mr. Prashant Garg is one of the Promoters of the Company and has been working as a Whole – Time Director for over 12 years and as Managing Director for over 03 years. He is instrumental in the growth and expansion of the company in domestic as well as overseas market. In the recent past company has expanded in new geographies like Philippines, Singapore, Indonesia, Malaysia and the UK. Company is planning to get into Middle East and has established a new workshop in Indonesia.

With his hard work, dedication and under his supervision the company has established a new state of art facility to manufacture large equipment for cement, steel and power sector. The company has developed young team of leaders in various functions which is driving the growth on all fronts. Considering his professional qualifications and vast experience and to reward his efforts the revision in remuneration was approved by the Board based on industry standards, responsibilities handled by Mr. Prashant Garg.

The board hereby recommends the member to approve revision in remuneration of Mr. Prashant Garg, Chairman and Managing Director.

The draft of the Service Agreement for approval is being circulated along with this notice of the Extra Ordinary General Meeting and also available for inspection by the shareholders of the Company during normal business hours at the Registered office of the Company and copies thereof shall also be made available for inspection at the Corporate Office of the Company and also at the place of the meeting on the meeting day.

The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution.

None of the Directors or their relatives are concerned or interested in the resolution, except to the extent of their shareholding in the Company.

Item No. 2 - Appointment of Mr. Anil Kumar Trigunayat (DIN: 07900294) as an Independent Director.

The Board of Directors at its meeting held on 30th November, 2023 had appointed Mr Anil Kumar Trigunayat (DIN: 07900294) as an Additional Independent Director of the Company.

In terms of provisions of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company shall recommend to the Board of the Directors, the appointment/ reappointment of a Director. In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on

passing of a special resolution by the Shareholders of the Company and disclosure of such appointment in the Board's report.

The Company has received the consent from Mr Anil Kumar Trigunayat (DIN: 07900294) to act as the Independent Director in the prescribed Form DIR-2 under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 along with the declaration on criteria of Independence as per Section 149(6) of the Act. On recommendation of the Nomination and Remuneration Committee, the board hereby recommends the appointment of Mr Anil Kumar Trigunayat (DIN: 07900294) as an Independent Director for a First term of five years with effect from 30th November, 2023.

The Board recommends the Resolution for approval of the Members as an Ordinary Resolution as set out in the item no. 2 of the notice.

Except Mr Anil Kumar Trigunayat (DIN: 07900294), being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

Item No. 3 - Appointment of Ms. Chitra Garg (DIN – 01784644) as Non-Executive Director

Ms. Chitra Garg (DIN – 01784644) was appointed as Additional Non-Executive Director of the company by Board on 05th December 2023 to hold the office of director upto ensuing General Meeting. On recommendation of the Nomination and Remuneration Committee, the board hereby recommends the appointment of Ms. Chitra Garg (DIN – 01784644) as Non-Executive Non-Independent Director of the Company.

Hence the proposed resolution is recommended for consideration of and approval by the shareholders of the Company.

None of the Directors or their relatives are concerned or interested in the resolution, except to the extent of their shareholding in the Company.

The Board accordingly recommends the Ordinary resolution as set out in Item No. 3 of this Notice for your approval.

**For and on behalf of Board of Directors
Diffusion Engineers Limited**

**Date: 6th December, 2023
Place: Nagpur**


**Chanchal Jaiswal
Company Secretary
(Membership No-A67136)**

