

DIFFUSION ENGINEERS LIMITED

(CIN: L99999MH2000PLC124154)

Registered Office: T-5 & 6, MIDC, Hingana, Nagpur, Maharashtra, India, 440016

Mobile No.: 9158317943

E-mail - cs@diffusionengineers.com Website - www.diffusionengineers.com

NOTICE OF POSTAL BALLOT

[Pursuant to Section 108 and 110 of the Companies Act, 2013, read with the Rule 20 & 22 of the Companies (Management and Administration Rules, 2014)]

To
The Member(s),
Diffusion Engineers Limited

NOTICE is hereby given that pursuant to the provisions of Section 108 & 110 of Companies Act, 2013 read with Rule 20 & 22 of Companies (Management and Administration) Rules, 2014 ("Rules") read with the General Circular No. 14/2020 dated April 8, 2020, General Circular no. 17/2020 dated April 13, 2020, General Circular no. 22/2020 dated June 15, 2020, General Circular no.33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular no. 10/2021 dated June 23, 2021, General Circular no. 20/2021 dated December 08, 2021, General Circular no. 3/2022 dated May 05, 2022, General Circular No. 11/2022 dated December 28, 2022, General Circular No. 09/2023 dated September 25, 2023 and General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs ("MCA Circulars") read with other relevant circulars and other applicable provisions of the Companies Act, 2013, if any, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the resolutions appended below be passed by the Members **(as on the Cut-off date i.e. Friday, February 21, 2025)** through Postal Ballot only by voting through electronic means ("**remote voting**"). Communication of assent or dissent of the Members would take place only through the remote e-voting system.

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories as on **Friday, February 21, 2025 ("Cut-Off date")**. If your e-mail address is not registered with the Company/Depositories, please follow the process provided in the Notes to receive this Postal Ballot Notice.

An explanatory statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Companies Act, 2013 pertaining to the resolution setting out the material facts and reasons thereof, is appended to this Postal Ballot Notice. Pursuant to Rule 22(5) of the Rules, the Board of Directors of your Company on Friday, February 07, 2025 through Board resolution has appointed Mr. Amit Rajkotiya (Membership No. FCS 5561) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



DIFFUSION ENGINEERS LIMITED

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

[t] 091-7104-232890, 234727, 236772, CIN : L99999MH2000PLC124154

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

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

The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) as the agency to provide e-voting facility.

Members are requested to read the instructions given in the Notes to this Postal Ballot Notice so as to cast their vote electronically. The remote e-voting period commences from **9.00 a.m. (IST) on Wednesday, March 05, 2025 and ends at 5.00 p.m. (IST) on Thursday, April 03, 2025**. The Scrutinizer will submit the report to the Chairman of the Company, or any person authorized by him upon completion of the scrutiny of the votes cast through remote e-voting. The results of the Postal Ballot will be announced within stipulated period of time.

The said results along with the Scrutinizer’s Report would be intimated to National Stock Exchange of India Limited and BSE Limited where the Equity Shares of the Company are listed. Additionally, the results will also be uploaded on the Company’s website: www.diffusionengineers.com and on the website of Central Depository Services (India) Limited (“CDSL”) www.evotingindia.com

SPECIAL BUSINESS:

ITEM NO. 1 – RE-APPOINTMENT OF MR. PRASHANT GARG (DIN: 00049106) AS THE CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY

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

“RESOLVED THAT pursuant to recommendations of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors of the Company and pursuant to the provisions of Sections 196, 197,198 and 203 read with Schedule V to the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended including any statutory modification or re-enactment thereof and subject to the approval of the Central Government, if any, or such other approvals as may be necessary, approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Prashant Garg (DIN: 00049106) as Chairman and Managing Director, Key Managerial Personnel of the Company for a period of Five (5) years with effect from 16th March, 2025 to 15th March, 2030, on the terms and conditions as set out in the explanatory statement annexed to the Notice and to him receiving remuneration, payments, perquisites, benefits and amenities as given below:

A. Fixed Pay:

1. Basic Salary: Rs 20 lakh per month with effect from March 16, 2025 till the year ended as at March 31, 2026. There shall be an increment of upto 15.00% per annum effective from April 01, of every financial year from FY- 2026-2027 up to the conclusion of the tenure as may be decided by Board of Directors.
2. The salary will accrue on a day-to-day basis and will be payable by equal monthly instalments in arrears by credit transfer, normally on the first working day of each calendar month for previous month; and



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B. Variable Pay:

Mr. Prashant Garg shall be eligible for Variable Pay upto 25 % of fixed salary subject to approval of Board based on his performance & Company Performance / key performance indicators (KPIs) as may be decided by Board in consultation with Nomination and Remuneration Committee from time to time.

C. Perquisites, Benefits and Amenities:

- (i) Health Insurance Policy for self, spouse and dependents of upto Rs. 1 Crore of sum Insured.
- (ii) 2 Car, with chauffeur provided, maintained by the Company for official and personal use.
- (iii) Telecommunication facilities including broadband, internet and fax.
- (iv) Club membership fees upto Rs. 25 lakhs during the tenure.
- (v) One employer employee policy of Mr. Prashant Garg up to Rs. 10 Cr of sum insured.

Other perquisites and allowances given below;

- Leave Travel Concession/Allowance -Rs. 5 lakh p.a to be given on half yearly basis.
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the rules of the Company.
- 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.
- Expenses: The Company to reimburse, on a monthly basis, all reasonable travelling, entertainment and other similar out of pocket expenses necessarily and reasonably incurred by Mr. Prashant Garg in performance of his duties and responsibilities.
- Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances, and Incentive Remuneration as specified above.

“RESOLVED FURTHER THAT any of the Executive Directors and/or Company Secretary of the Company be and are hereby authorized individually or severally to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable to give effect to this resolution.”

Place: Nagpur

Date: March 04, 2025

Registered Office: T- 5 & 6, MIDC, Hingana,
Nagpur, Maharashtra, India, 440016

**By Orders of the Board of Directors
For Diffusion Engineers Limited**

Sd/-
Chanchal Jaiswal
Company Secretary and
Compliance Officer
(Membership no. A67136)



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NOTES:

1. An Explanatory Statement pursuant to the provisions of Sections 102 and 110 of the Companies Act, 2013 read with Rule 22 of the Rules stating material facts and reasons for the proposed resolutions are annexed hereto.
2. In compliance with MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories
3. Members are requested to register/update their e-mail addresses, in respect of electronic holding with the Depository through the concerned Depository Participants and in respect of physical holdings with Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company (“RTA”) by following the due procedure. Members may note that this notice will also be available at the Company’s website www.diffusionengineers.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and on the website of CDSL at www.evotingindia.com.
4. The Resolution, if passed by requisite majority, will be deemed to have been passed on the last date of e-voting i.e. **Thursday, April 03, 2025**.
5. The instructions for remote e-voting are as under:
 - i. In compliance with the provisions of Sections 108 and 110 of the Companies Act, 2013, Rules 20 and 22 of the Rules, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), MCA Circulars and SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, as amended, in relation to e-voting Facility provided by Listed Entities, the Company has provided the facility of remote e-voting to all Members, to enable them to cast their votes electronically. The Company has engaged the services of CDSL to provide remote e-voting facility to its members.
 - ii. Voting rights of the Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on **Friday, February 21, 2025** (“Cut-off date”). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-voting. A person who is not a member as on the Cut-off date should treat this Postal Ballot Notice for information purposes only.
 - iii. The remote e-voting period commences from 9.00 a.m. (IST) on **Wednesday, March 05, 2025 and ends at 5.00 p.m. (IST) on Thursday, April 03, 2025**. The e-voting module shall be disabled by CDSL thereafter. Once the vote on the resolution is cast by the Member, he/she shall not be allowed to change it subsequently.



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iv. The Board of Directors of your Company on Friday, February 07, 2025, has appointed Mr. Amit Rajkotiya, Practicing Company Secretary (Membership No. FCS 5561) as the Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner.

v. **The details of the process and manner for remote e-voting are explained herein below:**

ACCESS THROUGH DEPOSITORIES CDSL/NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing



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	<p>Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
<p>Individual Shareholders (holding</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-</p>



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<p>securities in demat mode) login through their Depository Participants</p>	<p>Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.

- i) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.



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- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the Diffusion Engineers Limited.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



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- (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@diffusionengineers.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



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PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting .

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 21 09911



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**EXPLANATORY STATEMENT
(Pursuant to Section 102(1) of the Companies Act, 2013)**

In conformity with the provisions of Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the business under Item No. 1 mentioned in the accompanying Notice

Item No. 1

The Board of Directors, at its meeting held on March 16, 2020 had appointed Mr. Prashant Garg as the Chairman and Managing Director (“CMD”) of Company for a period of five years with effect from 16th March 2020 to 15th March 2025.

The Board of Directors, at its meeting held on February 07, 2025, based on the recommendation of Nomination and Remuneration Committee has re-appointed Mr. Prashant Garg, as Chairman & Managing director of the Company for a further period of five years, with effect from 16th March 2025 to 15th March 2030, subject to the approval of the Members. The Audit Committee has approved the terms and conditions of his appointment, as he being key managerial personnel, is a related party as per Section 2(76) of the Act.

Brief Profile:

Mr. Prashant Garg is associated with Diffusion Engineers Limited since 2003 and possesses approximately 20 years of experience in the Engineering Industry. He has been instrumental in steering our Company towards forward integration from manufacturing welding consumables to heavy engineering equipment and adding new product lines to our business. Under his leadership, Diffusion Engineers Limited has achieved remarkable progress, with revenues growing from Rs. 15,407.15 lakh in the financial year ended March 31, 2020 to Rs. 27,814.5 lakhs in the financial year ended March 31, 2024. Revenue for nine months ended December 31, 2024 is Rs 23,274.70 lakh which is 13.98% increase as compared to nine months ended December 31, 2023 which was 20,420.10 lakh.

Further details of Mr. Prashant Garg are given in the Annexure I to this Postal Ballot Notice.

The Members are requested to consider re-appointment of Mr. Prashant Garg as Chairman & Managing Director for a term of 5 years with effect from March 16, 2025 up to March 15, 2030.

Mr. Prashant Garg is not disqualified from being re-appointed as a Managing Director in terms of Section 164 of the Companies Act, 2013. The Company has received from Mr. Prashant Garg (i) consent in writing to act as a Managing Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 pursuant to Rule 14(1) of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of Section 164 of the Companies Act, 2013, and (iii) Notice of interest in Form MBP-I in terms of section 184 (1).



DIFFUSION ENGINEERS LIMITED

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Duties and Power

- a) Mr. Prashant Garg as Chairman and Managing Director (hereinafter referred to as "CMD") shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him. Subject to the supervision and control of the Board, the CMD be entrusted with substantial powers of management which are in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.
- b) The CMD shall not exceed the powers so delegated by the Board above.
- c) The CMD shall employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
- d) Without prejudice to the generality of the powers vested in the CMD under the preceding clause hereof, the Managing Director shall be entitled to exercise the following powers:
 - With Board's approval singly or together with other authorised officer(s) of the Company, to open and operate on any banking or other account and to draw, make, accept, execute, endorse, discount, negotiate, retire, pay, satisfy and assign cheques, drafts, bills of exchange, promissory notes, hundis, interest and dividend warrants and other negotiable or transferable instruments or securities;
 - Together with other authorised officer(s) of the Company to borrow moneys with or without security, but not exceeding Rs. 30 Cr at a time from one party;
 - To incur capital expenditure up to a sum of Rs. 150 Cr during any financial year;
 - Together with other authorised officer(s) of the Company, to invest funds of the Company in approved securities (other than in shares of other companies) and on fixed deposit with the Company's bankers provided that such investments shall not exceed Rs. 50 Cr with one party at a time;
 - To institute, prosecute, defend, oppose or appeal, to compromise, refer to arbitration, abandon subject to judgment, proceed to judgment and execution or become non-suited in any legal proceedings relating to customs or excise duties, tax on income, profits and capital and taxation generally or otherwise.
 - To give personal guarantee with respect to loans taken by Company.



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Other terms of Appointment

- a) The CMD shall not become interested or otherwise concerned, directly or through his spouse and/ or children, in any selling agency of the Company.
- b) The terms and conditions of the appointment of the CMD may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the CMD, subject to such approvals as may be required.
- c) The employment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu thereof.
- d) The employment of the CMD may be terminated by the Company without notice or payment in lieu of notice:
 - if the CMD is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or
 - in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the CMD of any of the stipulations contained above.
- e) Upon the termination by whatever means of the CMD's employment:
 - the CMD shall immediately cease to hold offices held by him in any holding company, subsidiaries or associated companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and unless the Board of Directors of the Company decide otherwise, shall resign as trustee of any trusts connected with the Company.
 - the CMD shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.
- f) All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the CMD, unless specifically provided otherwise.
- g) The CMD shall adhere to the company's Code of Conduct and maintenance of confidentiality.

Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stipulates that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if (i) the annual remuneration payable to such executive director exceeds rupees 5 (five) crore or 2.5 (two and half) per cent of the net profits of the listed entity, whichever is higher; or (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 (five) per cent of the net profits of the listed entity. The approval of the shareholders under this provision shall be valid only till the expiry of the term of such director. It is proposed, as a matter of abundant caution, to seek approval of the Members to the re-appointment of Mr. Prashant Garg as a special resolution. Mr. Prashant Garg is the Promoter of the Company.

In compliance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions read with Schedule V to the Companies Act, 2013 the terms of appointment and remuneration of the CMD as specified above are now being placed before the Members for their approval by way of a Special Resolution. The Board commends the Resolution for approval by the Members.



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None of the Directors, Key Managerial Personnel of the Company and their relatives, except Mr. Prashant Garg (being the appointee) including his relatives, are interested in or concerned financially or otherwise in the resolution.

The Board of Directors is of the opinion that Mr. Prashant Garg's knowledge and diverse experience in leadership roles across multiple regions and industries, will be of great value to the Company and the remuneration as proposed is required to be approved by the Members by passing special resolution pursuant to Section 197 read with Schedule V of the Companies Act, 2013, due to inadequacy of profits, hence the Board recommends the Special Resolution at item no.1 of the notice for approval by the Members of the Company.

Annexure I

Name of Director proposed to be reappointed	Mr. Prashant Garg
Date of Birth and Age	May 08, 1983 (41 years)
Date of Appointment	Director since November 09, 2003
Qualifications	<ul style="list-style-type: none"> Prashant Garg holds a bachelor's degree in Engineering from Rashtrasant Tukadoji Maharaj, Nagpur University. Master's degree in business administration from Saïd Business School, University of Oxford.
Expertise in specific functional areas	Wide experience in the business of welding technology and Industrial wear parts.
Terms and Conditions of appointment and proposed remuneration to be paid	<p>Re-appointment as the Chairman and Managing Director for a further period of five years, from March 16, 2025 to March 15, 2030.</p> <p>Terms and conditions of his re-appointment and proposed remuneration are set out in the resolution and explanatory statement annexed to this Postal Ballot Notice</p>
Relationship with other Directors, Managers and KMPs	Ms. Chitra Garg (DIN: 01784644) and Dr. Nitin Garg (DIN: 08558736), who serves as Non - Executive Directors of Company, are mother and brother of Mr. Prashant Garg, respectively.
Listed entities from which he/she has resigned in the past 3 years	None
Remuneration last Drawn	Remuneration drawn in FY 2023-24 is Rs. 20,405,000



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Number of Board meetings attended during the FY 2023-24	Attended all the eleven Board Meetings held during the FY 2023-24
Directorships held in other companies	<p>Indian Companies:</p> <ul style="list-style-type: none"> ▪ Nowelco Industries Private limited ▪ Diffusion Super Conditioning Services Private Limited ▪ Diffusion Hernon Adhesive and Sealant Private Limited ▪ Benvira Forward Algorithms Private Limited ▪ N K Garg Foundation <p>Foreign Companies:</p> <ul style="list-style-type: none"> ▪ LSN Diffusion Limited ▪ Diffusion Wear Solutions Philippines Inc. ▪ Diffusion Engineers Singapore Pte. Ltd. ▪ Mecdiff SDN BHD
Memberships / Chairmanships of committees of other companies	None
Number of Equity Shares held in the Company	1,04,45,099 Equity Shares
Shareholding as a beneficial owner	-
Information as required pursuant to BSE Circular with ref. no. LIST/COMP/14/2018-19 and the National Stock Exchange of India Limited Circular with ref. no. NSE/CML/2018/ 24, both dated 20 June 2018	Mr. Prashant Garg is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

Place: Nagpur
Date: March 04, 2025
Registered Office: T- 5 & 6, MIDC, Hingana,
Nagpur, Maharashtra, India, 440016

**By Orders of the Board of Directors
For Diffusion Engineers Limited**

Sd/-
Chanchal Jaiswal
Company Secretary and
Compliance Officer
(Membership no. A67136)



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