



महाराष्ट्र MAHARASHTRA

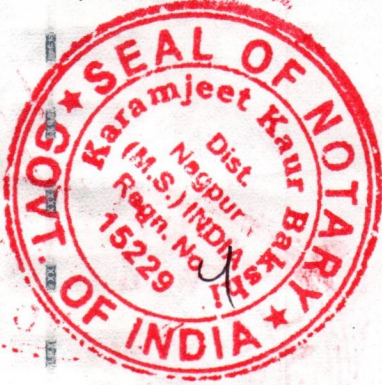
2023

NAGPUR TREASURY

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THIS AGREEMENT (hereinafter the "Agreement") is executed at Nagpur on the 8th day of December 2023.

Between

Diffusion Engineers Limited, a Company incorporated under the Indian Companies Act, 1956 and a validly existing company under the Companies Act, 2013 and having its Registered Office at T-5 & 6, MIDC, Hingana, Nagpur, Maharashtra - 440016 India (hereinafter called "the Company", which expression shall unless repugnant to the context include its successors and assigns) of the One Part

And

Mr. Prashant Garg, Managing Director (DIN - 00049106) (hereinafter called "Mr. Prashant Garg" or "the Managing Director" as the case may be, of the Other Part).

(The Company and Mr. Prashant Garg or the Managing Director shall hereinafter be collectively referred to as the "Parties" and individually as a "Party")

१) मुद्रांक विधी कर घरी कर केंद्र क्र. 39732 दिनांक 05 DEC 2023	
२) दस्तावेज क्रमांक १५१	
३) दस्त नोंदणी करणारा व्यक्तीचे नाव	
४) मिळविलेला पत्ता	
५) मुद्रांक विधीत वेगळ्या प्रकारे कर घेण्याची DIFFUSION ENGINEERS LTD	
६) हस्त अक्षरस्थान: कोणी भाडे, पत्रात न लही <i>since</i>	
७) दस्तान्या पदाधारणचे नाव	
८) मुद्रांक शुल्क रक्कम 500	
सतिश एच. पाटील	मुद्रांक विक्रेता, ला.क्र. १६/८९, जोड क्र. ४६०१०४१ जिल्हाधिकारी परिसर, त.कार्यालय, नागपूर(शहर)
ज्या कारणासाठी ज्यांनी मुद्रांक खरेदी केला त्यांनी ह्याच कारणासाठी मुद्रांक खरेदी केल्यापासून ६ महिन्यात वापरणे बंधनकारक आहे.	



NOTARIAL REG
 ENTRY NO
 DATE

SEAL OF N.C
 Karamjeet Kaur
 Dist. Nagpur
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WHEREAS the Board of Directors of the Company (hereinafter called "the Board") had, at its meeting held on 16th March 2020, appointed Mr. Prashant Garg as the Managing Director of the Company for a period from 16th March 2020, to 15th March 2025.

AND WHEREAS Mr. Prashant Garg has agreed to serve the Company upon the terms and conditions contained in the resolution passed by the Board at its meetings held on 16th March 2020 and the shareholders of the Company at their meeting held on 30th September 2020.

AND WHEREAS the said appointment has been approved by the shareholders at the General Meeting held on 30th September 2020.

AND WHEREAS the Parties hereto are desirous of entering into an agreement, being these presents, to record the terms and conditions aforesaid.

NOW THESE PRESENTS WITNESSETH AND IT IS HEREBY AGREED as follows:

1. Definitions and interpretation

1.1 Definitions

a. 'Act' means the Companies Act, 2013, as amended, modified or re-enacted from time to time.

b. 'Confidential Information' means information relating to the business, products, affairs and finances of the Company or any of its associated company or subsidiary for the time being confidential to it or to them and trade secrets (including without limitation technical data and know-how) relating to the business of the Company or of any of its associated company or of any of its or their suppliers, clients or customers.

'Intellectual Property' includes patents, trademarks whether registered or unregistered, registered or unregistered designs, utility models, copyrights including design copyrights, applications for any of the foregoing and the right to apply for them in any part of the world, discoveries, creations, inventions or improvements upon or additions to an invention, Confidential Information, know-how and any research effort relating to any of the above mentioned business, names whether registrable or not, moral rights and any similar rights in any country.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- a. Any reference herein to any clause is to such Clause. The Recitals and Clauses to this Agreement including this Interpretation Clause shall be deemed to form part of this Agreement.
- b. The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- c. Words importing the singular include the plural and vice versa, and words importing a gender include each of the masculine, feminine and neuter gender.

2. Term and Termination

2.1 Subject as hereinafter provided; this Agreement shall remain in force up to 15th March 2025 unless terminated earlier.





2.2 This Agreement may be terminated earlier by either Party by giving to the other Party 3 (Three) months' notice of such termination or the Company paying 3 (Three) months' remuneration in lieu of such notice.

3. Duties & Powers

3.1 The Managing Director 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 Managing Director 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.

3.2 The Managing Director shall not exceed the powers so delegated by the Board pursuant to clause 3.1 above.

3.3 The Managing Director undertakes to 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.

3.4 Without prejudice to the generality of the powers vested in the Managing Director under the preceding clause hereof, the Managing Director shall be entitled to exercise the following powers:

- a. 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;
- b. Together with other authorised officer(s) of the Company to borrow moneys with or without security, but not exceeding Rs. 20 Cr at a time from one party;
- c. To incur capital expenditure up to a sum of Rs. 50 Cr during any financial year;
- d. 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 in any one financial year shall not exceed Rs. 50 Cr;
- e. To institute, prosecute, defend, oppose, appear 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.
- f. To give personal guarantee with respect to loans taken by Company.



NOTARY
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4. Remuneration

4.1 So long as the Managing Director performs his duties and conforms to the terms and conditions contained in this Agreement, he shall, subject to such approvals as may be required, be entitled to the following remuneration subject to deduction at source of all applicable taxes in accordance with the laws for the time being in force.

A. Salary: Rs 20 lakh per month. The annual increments which will be effective 1st April each year, will be decided by the Board on the recommendation of the Nomination and Remuneration Committee and will be merit-based and considering the Company's performance as well

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 Cr of sum insured.

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.

4.2 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.

5. Variation

The terms and conditions of the appointment of the Managing Director and / or this Agreement 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

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manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.

6. Intellectual Property

- 6.1 The Parties acknowledge that the Managing Director may make, discover, or create Intellectual Property (IP) in the course of his employment and agree that in this respect the Managing Director has a special obligation to protect such IP and use them to further the interests of the Company.
- 6.2 Subject to the provisions of the laws relating to IP for the time being in force in India, if at any time during his employment, the Managing Director makes or discovers or participates in the making or discovery of any IP relating to or capable of being used in the business for the time being carried on by the Company or any of its subsidiaries or associated companies, full details of the IP shall immediately be communicated by him to the Company and such IP shall be the absolute property of the Company. At the request and expense of the Company, the Managing Director shall give and supply all such information, data, drawings and assistance as may be required to enable the Company to exploit the IP to its best advantage and the Managing Director shall execute all documents and do all things which may be necessary or desirable for obtaining patent or other protection for the IP in such parts of the world as may be specified by the Company and for vesting the same in the Company or as it may direct.
- 6.3 If the IP is not the property of the Company, the Company shall, subject to the provisions of the applicable laws for the time being in force, have the right to acquire for itself or its nominee, the Managing Director's rights in the IP within 3 months after disclosure pursuant to clause 6.2 above on fair and reasonable terms.
- 6.4 The rights and obligations under this clause shall continue in force after termination of the Agreement in respect of IP relating to the period of the Managing Director's employment under the Agreement and shall be binding upon his heirs and legal representatives.
- ## 7. Confidentiality
- 7.1 The Managing Director is aware that in the course of his employment he will have access to and be entrusted with information in respect of the business and finances of the Company including IP, processes and product specifications, etc. and relating to its dealings, transactions and affairs and likewise in relation to its subsidiaries, associated companies, customers or clients all of which information is or may be of a confidential nature.
- 7.2 The Managing Director shall not except in the proper course of performance of his duties during or at any time after the period of his employment or as may be required by law divulge to any person whatever or otherwise make use of and shall use his best endeavours to prevent the publication or disclosure of any Confidential Information of the Company or any of its subsidiaries or associated companies or any of its or their suppliers, agents, distributors or customers.
- 7.3 All notes, memoranda, documents and Confidential Information concerning the business of the Company and its subsidiaries or associated companies or any of





its or their suppliers, agents, distributors or customers which shall be acquired, received or made by the Managing Director during the course of his employment shall be the property of the Company and shall be surrendered by the Managing Director to the Company upon the termination of his employment or at the request of the Board at any time during the course of his employment.

8. Non-competition

The Managing Director covenants with the Company that he will not, during the continuance of his employment with the Company, without the prior written consent of the Board, carry on or be engaged, directly or indirectly, either on his own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas, which shall directly or indirectly be in competition with the business of the Company or its subsidiaries or associated companies.

9. Selling Agency

The Managing Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.

10. Company Code of Conduct

The provisions of the Company's Code of Conduct shall be deemed to have been incorporated into the Agreement by reference. The Managing Director shall during his term, abide by the provisions of the Company's Code of Conduct in spirit and in letter and commit to assure its implementation.

11. Personnel Policies

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 Managing Director, unless specifically provided otherwise.

12. Summary termination of employment

The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:

- a. if the Managing Director 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 by the Agreement to render services; or
- b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the Agreement; or
- c. in the event the Board expresses its loss of confidence in the Managing Director.

13. Termination due to physical / mental incapacity

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In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate this contract on such terms as the Board may consider appropriate in the circumstances.

14. Resignation from directorships

Upon the termination by whatever means of his employment under the Agreement:

- a. the Managing Director shall immediately tender his resignation from office as a director of the Company and from such other offices held by him in any subsidiaries and associated companies without claim for compensation for loss of office and in the event of his failure to do so the Company is hereby irrevocably authorised to appoint some person in his name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associated companies of which the Managing Director is at the material time a director or other officer.
- b. the Managing Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries and associated companies.

15. Agreement co-terminus with employment / directorship

- 15.1 The Managing Director is being appointed by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 167 of the Act.
- 15.2 If and when this Agreement expires or is terminated for any reason whatsoever, Mr. Prashant Garg will cease to be the Managing Director. If at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and this Agreement shall forthwith terminate.

16. Notices

Notices may be given by either Party by letter addressed to the other Party at, in the case of the Company, its registered office for the time being and in the case of the Managing Director his last known address and any notice given by letter shall be deemed to have been given at the time at which the letter would be delivered in the ordinary course of post or if delivered by hand upon delivery and in proving service by post it shall be sufficient to prove that the notice was properly addressed and posted.

17. Miscellaneous

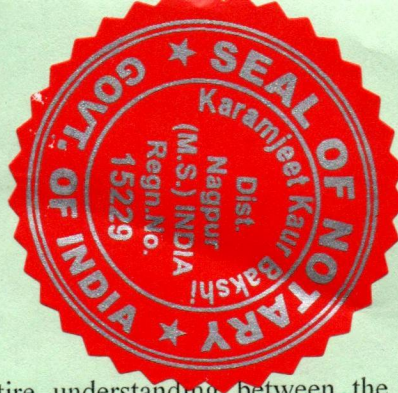
17.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of India.

17.2 Jurisdiction

The Parties have agreed to the exclusive jurisdiction of the Indian courts.

NOTARY
OF INDIA
Rajjeet Kaur
Bakshi
Dist. Naspur
(M.S.) INDIA
Rgn. No. 15229



17.3 Entire Agreement

This Agreement contains the entire understanding between the Parties and supersedes all previous written or oral agreements, arrangements, representations, and understandings (if any) relating to the subject matter hereof. Parties confirm that they have not entered into this Agreement upon the basis of any representations that are not expressly incorporated into this Agreement. Neither oral explanation nor oral information given by any Party shall alter or affect the interpretation of this Agreement.

17.4 Waiver

A waiver by either Party of a breach of provision(s) of this Agreement shall not constitute a general waiver or prejudice the other Party's right otherwise to demand strict compliance with that provision or any other provisions in this Agreement.

17.5 Severability

Each term, condition, covenant or provision of this Agreement shall be viewed as separate and distinct, and in the event that any such term, covenant or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue.

17.6 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute the same agreement.

IN WITNESS WHEREOF these presents have been executed by the Parties hereto on the day and year first above written.

For Diffusion Engineers Limited

Prushtels

Name : Trushtee Edbor
Designation: AGM -HR

Mr. Prashant Garg

Prashant Garg

Witness:

1) Chanchal Jaiswal
New Somalwada
Nagpur

Chanchal Jaiswal

2) Sonika Dholane
Jaitaria Road
Nagpur

S. Dholane

Attested

Bakshi
8/12/23

KARAMJEET KAUR BAKSHI
Advocate & Notary
NAGPUR-440002 (MAHARASHTRA)



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