

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES / INITIATIVES

[Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder]

1. A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken to the CSR policy and projects or programmes:

In line with the provisions of the Companies Act, 2013, the Company has framed its CSR policy towards Health & Sanitation, Preserving Environment & Water Harvesting, Education / Skill Development, Provision of Basic Needs etc. and the same has been approved by the CSR Committee of the Board. The Company gives preference to the local area and areas around the Company for spending the amount earmarked for CSR activities. CSR activities of the Company are aligned with the activities specified in Schedule VII of the Companies Act, 2013.

Areas identified for CSR activities for financial period 2023 - 2024:

1. Preserving Environment
2. Health & Sanitation
3. Skill Development
4. Education
5. Promoting Sports
6. Provision of Basic Needs

PRESERVING ENVIRONMENT:

The Company contributed to CSR for the Maintenance and Plantation at Kalmeshwar, which will be helpful for increasing the green cover of surrounding areas as this area is fairly barren being an upcoming industrial area. This will also be helpful in increasing and sustaining birdlife. Some ornamental plants and lawn were also planted.

HEALTH & SANITATION:

i).Chichbhavan Village Medical Services -Kalmeshwar

The company has obtained permission from Child Development Project Officer to use the Aganwadi at Chichbhavan for providing medical services. We have commenced the medical services for Chichbhavan and surrounding 5 villages with permission from Government Health Department, Nagpur. We have designated Dr. Mayur Nipane (B.A.M.S & D.Y.N.S) for the program. Dr. Nipane visits and provide medical consultancy twice a week i.e., on Wednesday & Saturday. Diffusion Engineers Limited pays consultancy charges to Dr. Nipane. Our Company also provides basic and emergency medication to patients. In case of requirement for specialists, Dr. Nipane will refer the same. We have provided Dr. Nipane with an Assistant to assist in the service and spreading knowledge about the services in Chichbhavan and nearby villages. Project is progressing well and going on with great success with average of 15 to 25 patients per session. Medicines as per requirement are also provided to the patients which saves them a trip to the nearest primary health centre.

ii) Cataract / Eye Surgery:

The Company sponsored cataract operation for two needy patients. The procedures were conducted by Dr. Sulabha Deshpande, Consulting Ophthalmologist & Vitreo-Retinal Surgeon at Dr. K.G. Deshpande Memorial Centre, Ramnagar, Nagpur.

iii).Medical Donation

Company has donated funds to BTSG Foundation which takes care of the non-medical needs of the patients and their care givers suffering from Brain Tumors. Brain tumor has the potential to cause life-style disruption affecting all those in the family. Some of these tumors are also life threatening. Their aim is to provide psycho-social support to such patients, conduct monthly meetings of patients and their care givers, taking care of logistics supports of those who come from other towns for treatment, and provide access to various aspects like survivorship, clinical trials.

SKILL DEVELOPMENT

General Duty Assistant Course of 3 months duration from 11th October 2023 to 31st January 2024 was sponsored by Diffusion Engineers Limited under National Skill Development Corporation. This is a skill in healthcare which trains students to handle patients in hospitals as well as at home. Diffusion Engineers Limited saw it as need of the hour as many patients / seniors need medical help at home. The batch was of 30 students, they passed their exams conducted by IB4 on the same pattern as Skill India as National Skill Development

Corporation (NSDC) and Maharashtra State Skill Development Society (MSSDS) have temporarily suspended assessment and certification post Covid. Most 3rd Party assessment agencies have shut shop post covid. Therefore, they were given combined provisional certificates by Diffusion Engineers Limited, IB4 Consultants & Amina Gramin Vikas Sanstha. They will be given Skill India Certificates as soon as NSDC starts issuing them. The students have undergone internship in various hospitals, clinics and some have been placed in hospitals, clinics while some are doing home patients and rest are pursuing higher nursing courses. The Course was co-ordinated through IB4 Consultants at Mother Teresa Nursing Institute under Amina Gramin Vikas Sanstha, Koradi.

EDUCATION

N.K.Garg Scholarship Program

The N.K. Garg Foundation and Diffusion Engineers Limited announced N.K. Garg Scholarship Program for students of B.E / B. Tech – 1st Year / 2nd Year Mechanical Engineering / Metallurgy / Industrial Engineering or equivalent course for Academic Session 2022-23 onwards. The N.K.Garg Scholarship Program is constituted in the memory of Shri N.K.Garg, Founder of Diffusion Engineers Limited, an exceptional Leader and human being who touched so many lives and took the organization to phenomenal heights. The Scholarship amount will cover college fees, guidance and internship programs at Diffusion Engineers Limited Hingna/ Kalmeshwar Plants. The Scholarship amount is Rs.50,000/- per student per year till completion of graduation provided he/she scores above 65% every year. N.K.Garg Scholarship was given to 6 students of Shri Ramdeobaba College of Engineering & Management, Nagpur & 4 students of Visvesvaraya National Institute of Technology, Nagpur based on performance (merit) and economic background (need).

PROMOTING SPORTS

i) Shri N.K.Garg Memorial Badminton Tournament:

The First Tournament of Shri N.K.Garg Memorial Nagpur District Badminton Tournament was held from 15th to 17th September 2023. It was sponsored by Diffusion Engineers Limited and organised by Nagpur District Badminton Association. The Tournament had superb participation of 400 players in 14 categories from under 9 years to Seniors 17+ years. Shri N.K.Garg Memorial Tournament will be held annually in memory of Shri N.K.Garg , Founder of Diffusion Engineers Limited with an aim to promote sports.

ii) **Shri. N.K.Garg Sports Scholarship**

Diffusion Engineers Limited announced Shri. N.K.Garg Sports Scholarship under its Corporate Social Responsibility Program. The Scholarship of upto Rs. 5 lakhs is given to needy and deserving sports persons who are unable to compete and progress due to lack of funds resulting in inability to access required resources for the sport.

The Scholarship for 2023-24 was given to Riyansh J Sontakke, who is the youngest enthusiastic cyclist from Nagpur. He has successfully completed cycle championship like 200km,300km,400km and 600km races. He has been the fastest and youngest cyclist in central India to complete these races. He has also secured place in Khasdar Krida Mahostav and inter-collegiate cycle race competition this year.

He has goals in the near future of participating in the National & International level competitions in Cycling and Triathlon, for which he required an advanced level bicycle. He, unfortunately could not meet the required expenses hence he approached Diffusion Engineers Limited for support, which they accepted. The racing cycle TREK Madone SL6 Di2 was handed over to Riyansh by Mr. Prashant Garg. Managing Director, Diffusion Engineers Limited, so that he could fulfill his dreams and bring laurels to the State and Nation.

PROVISION OF BASIC NEEDS

The Akshaya Patra Foundation

The Akshaya Patra Foundation is a non-profit organization that strives to eliminate classroom hunger by implementing the Mid-Day Meal Programme. Their Mission is to address classroom hunger and malnutrition in India and to feed the millions of children in India who lack the means but have the zeal to learn and achieve. One wholesome mid-day meal every day nourishes them and motivates them to pursue education and consequently, a better future. In essence, they support the health and education of children at the grass-root level of society through the assurance of a nutritious mid-day meal. Their Vision is to feed 3 million children of India by 2025. In line with this Vision, a Project for Building a Kitchen in Nagpur is undertaken which can cater 15,000 meals per day to needy school children of Government, Municipal Corporation and Zilla Parishad Schools. The donation of 5 lakhs is done towards this project.

2. The composition of the CSR Committee as on 31st March, 2024 is as under:

Sr .N o.	Name	Nature of Directorship	Designation in Committee	Number of Meetings of CSR Committee Held During the Year	Number of meetings of CSR Committee attended during the year
1	Ms Anita Vijayakar	Independent Director	Chairperson	1	1
2	Dr. Renuka Garg	Non-Executive Director	Member	1	1
3	Mr. Prashant Garg [<i>Ceased w.e.f 13th December, 2023]</i>	Managing Director	Member	1	1
4	Ms Chitra Narendra Garg [<i>appointed w.e.f. 13th December, 2023]</i>	Non-Executive Director	Member	0	0

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company :

www.diffusionengineers.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) :

Not Applicable - as the Company does not have an average CSR obligation of 10 Crores or more in the three immediately preceding financial years.

5. The prescribed CSR expenditure of the company for last three financial years (2% of the average net profits of immediately preceding three Financial Years):

Average net profit of the company for last three financial years: (a)	Two percent of average net profit of the company as per section 135(5) (b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years (c)	Amount required to be set off for the financial year, if any (d)	Total CSR obligation for the financial year (b+c-d)
Rs. 18,60,51,836	Rs. 37,21,037	-	Rs. 10,12,015	Rs. 27,09,022

- 6.

Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). (a)	Amount spent in Administrative Overheads (b)	Amount spent on Impact Assessment, if applicable. (c)	Total amount spent for the Financial Year 6(a)+6(b)+6(c).
Rs. 30,04,273	-	-	Rs. 30,04,273

CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 30,04,273	-	-	-	-	-
			-	-	-
			-	-	-

Excess amount for set-off, if any::

Sl. No	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 27,09,022
(ii)	Total amount spent for the Financial Year	Rs. 30,04,273
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Rs. 2,95,251
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-

(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Rs. 2,95,251
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Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency.
				STATE	DISTRICT					CSR Registration number
---- Not Applicable ----										

Details of CSR amount spent against other than on-going projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	Name of project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in lakhs`)	Mode of implementation Direct (Yes/ No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1	Development and maintenance of plantation at, Kalmeshwar.	(iv)	Yes	Maharashtra	Nagpur	02.87	Yes	Not Applicable	Not Applicable
2	Medical Funds - Chichbhavan Village Medical Services. Kalmeshwar	(i)	Yes	Maharashtra	Nagpur	1.75	Yes	Not Applicable	Not Applicable
3	Donation to perform eye surgery of patient	(i)	Yes	Maharashtra	Nagpur	0.225	Yes	Not Applicable	Not Applicable
4	Medical Services	(i)	Yes	Maharashtra	Nagpur	5.00	No	N K Garg Foundation	CSR00061380

5	Education - Skill Development Course co-ordinated through IB4 Consultants at Mother Teresa Nursing Institute under Amina Gramin Vikas Sanstha.	(ii)	Yes	Maharashtra	Nagpur	4.65	Yes	Not Applicable	Not Applicable
6	Education - N.K.Garg Scholarship Program	(ii)	Yes	Maharashtra	Nagpur	05.00	No	N K Garg Foundation	CSR00061380
7	Promoting Sports - Shri N.K.Garg Memorial Badminton Tournament	(vii)	Yes	Maharashtra	Nagpur	1.50	Yes	Not Applicable	Not Applicable
8	Promoting Sports - Shri. N.K.Garg Sports Scholarship	(vii)	Yes	Maharashtra	Nagpur	04.05	Yes	Not Applicable	Not Applicable
9	Provision of Basic Needs - Donation to The Akshaya Patra Foundation for implementing the Mid Day Meal Programme to address classroom hunger and Malnutrition	(i)	Yes	Maharashtra	Nagpur	05.00	No	N K Garg Foundation	CSR00061380

7. (a) Details of Unspent CSR amount for the preceding three financial years

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Name of the Fund	Amount (in Rs.)	Date of transfer		
1	FY-1	-	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-	-	-

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.

No

If yes, enter the Number of Capital assets created/ acquired : NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered addresses
-	-	-	-	-	-	-	-

9. In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report:

The Company has spent 2% of the average net profit of the last 3 financial years towards CSR expenditure.