

NOTICE OF EXTRA - ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra - Ordinary General Meeting of the Members of Diffusion Engineers Limited will be held at a shorter notice on Monday, the 07th Day of March 2022 at 03.00 p.m., through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') co - ordinated from the registered office of the company to transact the following special business

1. To approve increase in remuneration of Mr Prashant Garg, Managing Director of the Company:

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the recommendation of Nomination & Remuneration Committee & Audit Committee and pursuant to the provisions of Section 196, 197, 198, 201 and other applicable provisions, if any of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including rules, notification, any statutory modification, amendment or re - enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said Act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in the remuneration of Mr Prashant Garg (DIN - 00049106), Managing Director and Chairman of the company on following terms and conditions effective from 01st January 2022 for a period of three (3) years."

Particulars	Jan 2022 to Dec 2022	Jan 2023 to Dec 2023	Jan 2024 to Dec 2024
Salary	13,50,000/- Per month	15,00,000/- Per month	16,50,000/- Per Month
Commission up to	7.5% of net profit	7.5% of net profit	7.5% of net profit
Other Perquisites [Club Fees]	20 Lacs per annum	20 Lacs per annum	20 Lacs per annum

FOR DIFFUSION ENGINEERS LTD.


PRASHANT GARG
MANAGING DIRECTOR

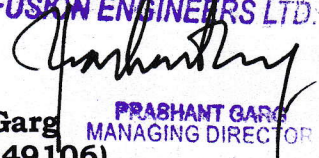
RESOLVED FURTHER THAT the overall managerial remuneration payable to Mr Prashant Garg shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee and Audit Committee and that the terms and conditions of the aforesaid remuneration payable to the said Managing Director & Chairman be varied/ altered/ revised within said overall limit, in such manner as may be required during aforesaid period of three (3) years.

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the members or such other competent authority.

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 excluding commission amount payable of profits earned 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 may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard."

**By Order of the Board of Directors
For Diffusion Engineers Limited**
FOR DIFFUSION ENGINEERS LTD.


Prashant Garg PRASHANT GARG
(DIN - 00049106) MANAGING DIRECTOR
Chairman & Managing Director

Place: Nagpur

Date: 23rd February 2022

NOTES:The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the explanatory statement sets out all material facts relating to the business mentioned under Item No. 01 of the accompanying Notice dated 23rd February 2022.

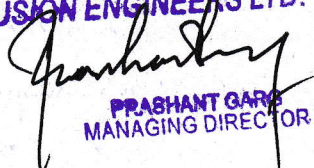
The Board commends the passing of the Resolution at Item No.1 as a Special Resolution.

The Nomination and Remuneration Committee, in its meeting held on 17th December 2021 recommended and the Board of Directors, in its meeting held on 17th December 2021 approved the payment of remuneration of Rs.13,50,000/- per month for the period Jan 2022 to Dec 2022; Rs.15,00,000/- per month for the period Jan 2023 to Dec 2023, Rs.16,50,000/- per month for the period Jan 2024 to Dec 2024, Other perquisites (Club Fees) of Rs. 20,00,000/- per annum and commission up to 7.5 % of Net profit of the Company payable for the financial year in which adequate profit is earned, to Mr. Prashant Garg Managing Director (DIN-00049106), of the Company for 3 years with effect from January 1, 2022, subject to the approval of the shareholders in the Extra - Ordinary General Meeting 23rd February 2022 and such other authorities as may be necessary, disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

Mr. Prashant Garg is a B.E Industrial engineering – he has been 2nd University Topper from Nagpur University and has done MBA from said Business School Oxford University, he has also completed Small Medium Enterprise Course from Indian Institute of Management Ahmadabad. 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 02 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. However, due to inadequacy of profits, the managerial remuneration paid/ payable needs to be approved for the period of 3 years starting from January 1, 2022.

Mr. Prashant Garg and his relatives shall be deemed to be concerned or interested in the resolution to the extent of remuneration payable to Mr. Prashant Garg under the resolution.

FOR DIFFUSION ENGINEERS LTD.

PRASHANT GARG
MANAGING DIRECTOR

The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directors except Mr. Prashant Garg himself Mrs Chitra Garg, Dr Nitin Garg, Dr Renuka Garg and Mrs Neelu Garg, as a relatives of Mr. Prashant Garg, are concerned or interested in the resolution. No other Directors or their relatives are concerned or interested in the resolution.

*****Note:-**

On the 12th of September 2018, the Ministry of Corporate Affairs (MCA) notified sections 66 to 70 of the Companies (Amendment) Act, 2017 (CAA, 2017). The sections have been notified and brought into effect in tranches. The amendments have been brought certain sections of Chapter XIII of CA, 2013 that deals with the Appointment and Remuneration of Managerial Personnel. Schedule V has also been amended accordingly vide notification dated 12th of September 2018 the corresponding changes in the Companies (Appointment and Remuneration of Management Personnel) Amendment Rules, 2018 have also been notified. Section 67 of CAA 2017 amended section 197 wherein permission of Central Government is no longer required for payment of managerial remuneration where it exceeds overall limit of 11%, the provisions of relevant section is reproduced below:

197 (1) The total managerial remuneration payable by a public company, to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven per cent. of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits: Provided that the company in general meeting may, ~~***with the approval of the central government,~~ authorise the payment of remuneration exceeding eleven per cent of the net profits of the company, subject to the provisions of Schedule V of the Companies Act 2013.

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

FOR DIFFUSION ENGINEERS LI

PRASHANT GARG
MANAGING DIRECTOR

**Prashant Garg
(DIN - 00049106)
Chairman & Managing Director**

Place: Nagpur

Date: 23rd February 2022