



NOTICE OF EXTRA-ORDINARY GENERAL MEETING

SHORTER NOTICE IS HEREBY GIVEN THAT EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF THE DIFFUSION ENGINEERS LIMITED [CIN – U99999MH2000PLC124154] WILL BE HELD ON SATURDAY, 18TH NOVEMBER, 2023 AT 12:30 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 adopt new set of Article of Association

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

“RESOLVED THAT pursuant to the provisions of Section 14, 15 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to adopt the new set of Articles of Association containing, inter-alia, Article no. 1 to Article no.279 in place of existing Articles of Association containing Article No. 1 to Article no. 88 as available for inspection in the meeting and at the registered office of the company during working hours.”

“RESOLVED FURTHER THAT consent of shareholders of the Company be and is hereby accorded to approve and adopt the aforesaid changes in the Article of Association of the Company and that one of the directors of the Company or Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

2. To increase the Authorized Share Capital of the Company

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

“RESOLVED THAT pursuant to provisions of Section 61 and 64 and any other applicable provisions, if any, of the Companies Act, 2013, including rules notified thereunder, as may be amended from time to time (including any statutory modification or re-



DIFFUSION ENGINEERS LIMITED

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enactment thereof for the time being in force); the consent of the members of the Company be and is hereby accorded, to increase Authorized Share Capital of the Company from Rs. 15,00,00,000 (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lacs) equity shares of Rs. 10/- each to Rs. 40,00,00,000 (Rupees Forty Crore Only) divided into 4,00,00,000 (Four Crore) equity shares of Rs. 10/- each by creation of additional 2,50,00,000 (Two Crore and Fifty Lacs) equity shares of Rs. 10/- each ranking pari passu with the present Equity Shares of the Company."

3. To alter capital clause in Memorandum of Association of the company:

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

"RESOLVED THAT pursuant to provisions of Section 13, 61 and 64 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules framed thereunder; the consent of the members of the Company be and is hereby accorded, for substituting the existing Clause V of the Memorandum of Association of the Company with the following clause:

V. The Authorized Share Capital of the Company is Rs. 40,00,00,000 (Rupees Forty Crore Only) divided into 4,00,00,000 (Four Crore) equity shares of Rs. 10/- each."

4. To issue Bonus Shares

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

"RESOLVED THAT pursuant to the provisions of section 63 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), articles of association, the consent of the shareholders be and is hereby accorded that a sum of Rs. 24,01,82,220 be capitalized out of General Reserves/Securities Premium Account as may be considered necessary by the Board, for the purpose of issuance of bonus shares bearing face value of Rs. 10/- (Rupees ten only) each, credited as fully paid-up shares to the existing equity shares holders of the Company, as on the Record Date, i.e. 18th November 2023 resulting in issue of 2,40,18,222 Equity Shares of Rs 10/- each as Bonus Shares to the existing shareholders. Such issue shall be made on following terms and conditions –

- The issue of shares will be made in proportion of 6 (Six) new shares for every one Equity share held on record date.
- The Equity Shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari-passu with the existing equity shares of the Company.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any director of the company or Company Secretary of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as may be deemed necessary, proper or desirable including settling any question, doubt or difficulties that may arise with regard to or in relation to the issue or allotment of the bonus shares and to accept on behalf of the Company, any conditions, modifications, alterations, changes, variations in this regard as prescribed by the statutory authority(ies) and which the Board / Committee of the Board or any officer(s) authorized by the Board of Directors in its discretion thinks fit and proper and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with the filing of necessary E-form with the Registrar of Companies."

**By order of Board of Directors
Diffusion Engineers Limited**

Chaiswal

**Chanchal Jaiswal
Company Secretary
(Membership no. A67136)**



**Date: 17th November, 2023
Place: Nagpur**

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, December 28, 2022 September 25, 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 Saturday, November 18 at 12:30 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 & 4 set out above is annexed hereto and forms part of this notice.

ANNEXURE TO THE NOTICE OF ANNUAL 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, Item No.3 and Item No. 4 of the accompanying Notice dated 17th November, 2023

Item No. 1

Articles of Association of the Company need to be re-aligned as per the provisions of Securities Contract (Regulations) Act, 1956.

The Board of Directors in its meeting held on October 11, 2023 decided (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

The draft of the new set of Articles proposed 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.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, except to the extent of their shareholding in the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

Item No. 2

The Directors of the Company have felt that for profitable working and expansion of business, Company needs more funds in the form of share capital. The Authorized Equity share capital of the Company is at present Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs.10/-each. In order to expand the business, the Board of Directors feel that it is desirable to increase the authorized share capital of the Company to Rs.40,00,00,000/- divided into 4,00,00,000 Equity Shares of Rs.10/- each.

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

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, except to the extent of their shareholding in the Company.

The Board accordingly recommends the Ordinary resolution as set out in Item No. 2 of this Notice for your approval.

Item No. 3

The Directors of the Company wishes to inform that consequent upon increase in authorized share capital of the Company, Clause V of Memorandum of Association of the Company needs to be altered accordingly.

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

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said 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.

Item No. 4

The Board of Directors at their meeting held on October 11, 2023 recommended issue of bonus shares in proportion of 6 (Six) share for every 1 (One) equity shares held by the members on a "Record Date" to be fixed by the Board of Directors, by capitalizing a part of the amount standing to the credit of the Reserves.

Pursuant to the provisions of the Articles of Association of the Company and the Companies Act, 2013 and rules made thereunder the capitalization of reserves and bonus issue thereof require approval of the members in general meeting.

Accordingly, the resolution seeks approval of the shareholders for capitalizing Rs. 24,01,82,220/- [Rupees Twenty-Four Crore One Lakh Eighty-Two Thousand Two Hundred and Twenty Only] out of the amount standing to the credit of Reserves and issue of bonus shares out of the same on the term and conditions set out in the resolution.

The Board of Directors recommends the Ordinary resolution as set out in Item No. 4 of this Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution, except to the extent of their shareholding in the Company.

**By order of Board of Directors
Diffusion Engineers Limited**

Chanchal

**Chanchal Jaiswal
Company Secretary
(Membership no A67136)**



**Date: 17th November, 2023
Place: Nagpur**