

**DIFFUSION ENGINEERS LIMITED**  
Regd. Office: T-5/6, M.I.D.C. Indl. Area,  
Hingna, Nagpur - 440 016

NOTICE is hereby given that the 36<sup>th</sup> Annual General Meeting of Diffusion Engineers Limited will be held on 26<sup>th</sup> September, 2018 at the Company's Office at Plot No. N - 78 (Knowledge Centre) at 3.00 p.m. to transact the following business:-

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**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2018 and Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of ₹3.00 per equity share and to approve the interim dividend of ₹2.00 per equity share already paid during the year, for the year ended March 31, 2018.
3. To appoint a Director in place of Dr. Renuka Garg (DIN - 02815373) who retires from the office by rotation and being eligible, offers herself for re-appointment.
4. Appointment of Auditors:-

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/S. P. R. Bhuta & Co., Chartered Accountant, Mumbai (Firm Registration No.101471W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Seventh (37<sup>th</sup>) Annual General Meeting of the Company (subject to ratification of their appointment at every AGM), and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in the performance of their duties."



**SPECIAL BUSINESS:-**

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

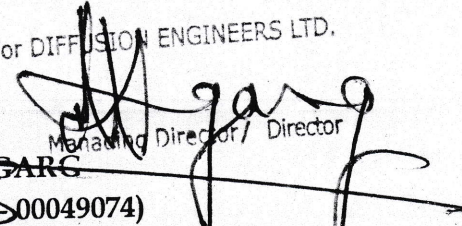
**"RESOLVED THAT** pursuant to the provisions of Section 196,197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, and subject to the approval of the members of the company and such other authorities as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration of `1,20,00,000/- per annum and commission upto 5% of Net Profits of the Company, subject to maximum of `75,00,000/- per annum, payable for financial year in which adequate profit is earned, to Mr. Prashant Garg Whole Time Director (DIN No. 00049106), of the Company with effect from October 1, 2018, upto September 30, 2021 for the period of 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 Whole Time 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 Whole Time Director, the above remuneration excluding commission amount payable on profits earned as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

By Order of the Board  
For DIFFUSION ENGINEERS LIMITED

For DIFFUSION ENGINEERS LTD.

  
N.K. GARG  
(DIN - 00049074)  
Chairman & Managing Director

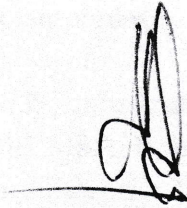
Place: Nagpur

Date: 17<sup>th</sup> September, 2018.



Notes:-

- a) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- b) The meeting has been convened by giving a shorter notice than required under the Companies Act, 2013. The consent of requisite no of shareholders have been obtained.

A handwritten signature in black ink, consisting of several loops and a horizontal line at the bottom, positioned below the second note.



Explanatory statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013 ITEM NO. 5

The Nomination and Remuneration Committee, in its meeting held on September 8, 2018 recommended and the Board of Directors, in its meeting held on September 8, 2018, approved the payment of remuneration of ₹ 1,20,00,000/- per annum and commission upto 5% of Net profit of the Company, subject to maximum of ₹ 75,00,000/- per annum, payable for financial year in which adequate profit is earned, to Mr. PrashantGarg Whole Time Director ( DIN No. 00049106), of the Company for 3 years with effect from October 1, 2018, subject to the approval of the shareholders in the General Meeting ~~\*\*\*and the Central Government~~. Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

Mr. PrashantGarg is a B.E Industrial Engineering - 2nd University Topper from Nagpur University and has done MBA from Saïd Business School Oxford University, he has also completed Small Medium Enterprise Course from Indian Institute of Management Ahmedabad. Mr. PrashantGarg is one of the Promoters of the Company and has been working as a Whole Time Director for over 10 years. He is instrumental in growth and expansion of the company in domestic as well as overseas market with his initiatives a new business of selling roll press rolls in the Indian market is added to the business of the company which has uniquely positioned the company to bundle selling of new rolls and service together to the customer. 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 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. PrashantGarg. However, due to inadequacy of profits, the managerial remuneration paid/payable needs to be approved for the period of 3 years starting from October 1, 2018.

Mr. PrashantGarg and his relatives shall be deemed to be concerned or interested in the resolution to the extent of remuneration payable to Mr. PrashantGarg under the resolution. The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directors except Mr. PrashantGarg himself Mr. N. K. Garg and Dr. RenukaGarg, as a relatives of Mr. PrashantGarg, are concerned or interested in the resolution. No other Directors, or their relatives are concerned or interested in the resolution.





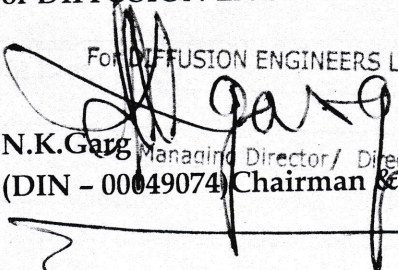
**\*\*\*Note:-**

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 2018.2 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 wholetime 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

By Order of the Board  
For DIFFUSION ENGINEERS LIMITED

For DIFFUSION ENGINEERS LTD.

  
N.K. Garg Managing Director/ Director  
(DIN - 00049074) Chairman & Managing Director

Place: Nagpur

Date: 17<sup>th</sup> September, 2018.



**Form No. MGT - 11**

**Proxy form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Company Details	
CIN	U99999MH2000PLC124154
Name of the company	Diffusion Engineers Limited
Registered office	T - 5& 6, MIDC, Hingana, Nagpur - 440 038

Member (s) Details	
Name of the member (s)	
Registered Address	
Email id	
Folio No. / Client Id	
DP Id	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

Details of Proxy (s)		
Sr. No.	Particulars	Particulars
1	Name	
	Address	
	E - mail Id	
	Signature	
or failing him		
2	Name	
	Address	
	E - mail Id	
	Signature	
or failing him		
3	Name	
	Address	
	E - mail Id	
	Signature	



as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 36<sup>th</sup> Annual General Meeting of the Company, to be held on 26<sup>th</sup> September, 2018 at 3 p.m. at the Company's Office at Plot No. N - 78 (Knowledge Centre), and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No

1. ....
2. ....
3. ....
4. ....

Signed this ..... day of ..... 20.....

Affix Revenue Stamp Re. 1/-
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Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at T - 5& 6, MIDC, Hingna, Nagpur - 440 016 not less than 48 hours before the commencement of the Meeting.**