

21st
ANNUAL REPORT
2014-2015

DILIGENT INDUSTRIES LIMITED

21st Annual General Meeting

29th September 2015

at 02:00 PM

Dwarka Thirumala Road, Denduluru Village and Mandal,
West Godavari-534 432, A.P,

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Board of Directors

Mr. BHANU PRAKASH VANKINENI	: Chairman and Managing Director
Mr. KIRANKUMAR VANKINENI	: Director
Mrs. PHANI ANUPAMA VANKINENI	: Director
Mr. SRINIVAS BABU EDUPUGANTI	: Independent Director
Mr. K VISWESWAR RAO	: Independent Director
Mr. V.V.VINOD KUMAR	: Independent Director

Board Committees**Audit Committee**

Mr. Srinivas Babu Edupuganti	-Chairman
Mr.V.V.Vinod Kumar	-Member
Mr. V. Bhanu Prakash	-Member

Nomination & Remuneration Committee

Mr. K. Visweswar Rao	-Chairman
Mr.V.V.Vinod Kumar	-Member
Mr. Srinivas Babu Edupuganti	-Member

Stakeholders Relationship Committee

Mr. Srinivas Babu Edupuganti	-Chairman
Mr.V.V.Vinod Kumar	-Member
Mr. K. Visweswar Rao	-Member

Bankers

Indian Bank
R.R Pet, Eluru,
Andhra Pradesh

Registrars & Share Transfer Agent

M/S VENTURE CAPITAL AND CORPORATE
INVESTMENTS PRIVATE LIMITED
12-10-167, harat Nagar,
Hyderabad -500 018
Email: info@vccipl.com
Website: www.vccipl.com

Auditors

M/s Ramasamy Koteswara Rao & Co
Chartered Accountants
Plot No: 238/A, 1st Floor, M.L.A Colony
Road No.12, Banjara Hills,
Hyderabad – 500 034.

Registered Office

Dwarka Thirumala Road,
Denduluru Village and Mandal,
West Godavari-534 432,
Andhra Pradesh
Email: diligentinvestors@gmail.com
Web: www.diligentindustries.com

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the members of the Company will be held on Tuesday the 29th day of September, 2015 at 2.00 PM at Registered Office of the Company at Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari -534 432, A.P, to transact the following items of business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Profit & Loss Account for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereon.**
2. **To appoint a Director in place Mrs. Phani Anupama Vankineni (DIN :00935032) who retires by rotation and being, offers herself for reappointment.**
3. **To Ratify the appointment of Statutory Auditor and fix their remuneration, by passing the following resolution with or without modification(s) as an Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 139, of the Companies Act, 2013, and the Rules made there-under and pursuant to the recommendation of audit committee, the consent of the members of the company be and is hereby accorded to ratify the appointment of M/s. Ramasamy Koteswara Rao & co, Chartered Accountants, (Registration No. 010396S), Hyderabad, who has been appointed as statutory auditors of the company in the last Annual General Meeting for a period of 3 years, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2016.”

SPECIAL BUSINESS:

4. **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 61 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendments thereto or re-enactment thereof) and subject to such approvals, consents, permissions and sanctions, if any, as may be required from any authority and pursuant to Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for sub-dividing the equity shares of the Company, including the paid-up shares, such that each existing equity share of face value of Rs.10/- (Rupees Ten) each be sub-divided into TWO equity shares of the face value of Re.5/- (Rupees Five) each.”

“FURTHER THAT the Memorandum of Association of the Company be altered by substituting the existing clause V with the following new clause.

V. The Authorised Share Capital of the Company is Rs.12,00,00,000/- (Rupees Twelve Crores Only) divided into 2,40,00,000/- (Two Crores Forty Lakh Only) Equity Shares of Rs.5/- (Rupees Five Only) each. With power to increase, reduce alter modify the share capital of the Company.

“FURTHER THAT pursuant to the sub-division of the equity shares of the Company, the Authorized, issued, subscribed and paid up equity shares of face value of Rs.10 /- (Rupees Ten) each, shall stand sub-divided into Two equity shares of Re 5/- (Rupees Five) each, fully paid-up.”

“FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give effect to this resolution including but not limited to fixing of the Record Date as per the requirements of the Listing Agreement, execution of all necessary documents with the Stock Exchanges and the Depositories and/or any other relevant statutory authority, if any, cancellation or rectification of the existing physical share certificates in lieu of the old certificates and in case of shares held in dematerialized form, the sub-divided equity shares be credited to the respective dematerialization accounts of the beneficiaries in lieu of the existing equity shares held by them and to settle any question or difficulty that may arise with regard to the sub-division of the equity shares as aforesaid or for any matters connected herewith or incidental hereto.”

**By order of the Board of Directors
For DILIGENT INDUSTRIES LIMITED**

Date : 14-08-2015
Place: Denduluru

**Sd/-
MANAGING DIRECTOR**

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
- 2 Proxy forms in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting.
- 3 The Share Transfer Register and the Register of Members of the Company will remain closed from 22-09-2015 to 29-09-2015 (both days inclusive).
- 4 M/s. Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad-50001 is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
- 5 Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
- 6 Members/Proxies are requested to bring their copies of the Annual Report to the AGM and the Attendance slip duly filled in for attending AGM. Copies of Annual Report will not be provided at the AGM.
- 7 Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agent enclosing their share certificates to enable consolidation of their shareholdings in one folio.
- 8 Members holding Shares in physical form may write to the Company/Registrar & Share Transfer Agents (RTA) for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately.
- 9 As part of the "Green Initiative", the Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participants unless the Members have registered their request for a hard copy of the same.
- 10 Process and manner for members opting for e-voting are as under:

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (i) The voting period begins on 26th September, 2015 at 9.00 AM and ends on 28th September, 2015 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "DILIGENT INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

DILIGENT INDUSTRIES LIMITED

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. your name is Ramesh Kumar with sequence number 1 then enter Ra00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <DILIGENT INDUSTRIES LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
11. That the Company is providing facility for voting by electronic means and the business may be transacted through such voting.
 12. That the facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 13. That the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 14. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
 15. The Board of Directors has appointed Mrs. N. Vanitha, a Practicing Company Secretary as a Scrutinizer to process the e-voting and submit a report to the Chairman.
 16. Compliance Officer of the Company will address all the grievances in relation to this annual general meeting including e-voting. The contact details are Email: diligentinvestors@gmail.com.
 17. The members may download a copy of the notice of this meeting and the results declared along with the scrutinizer's Report from the website of the Company (www.diligentindustries.com) or from www.evotingindia.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.4:

The equity shares of the Company are listed on BSE Limited (BSE) and are actively traded on the said exchange. In order to improve the liquidity of the Company's shares in the stock market, the Board of Directors of the Company (“the Board”) have recommended the sub-division of the nominal value of equity shares of Rs.10/- each into smaller denomination of Rs.5/- each for the consideration and approval of Members.

Accordingly each equity share of the Company of nominal value of Rs.10/- each existing on the record date shall stand sub-divided into TWO equity shares of nominal value of Rs.5/- each.

The record date for sub division of equity shares would be decided by the Board after the approval of members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

The Board recommends the resolution set forth in Item No.4 for approval of the members.

**By order of the Board of Directors
For DILIGENT INDUSTRIES LIMITED**

Date : 14-08-2015
Place: Denduluru

**Sd/-
MANAGING DIRECTOR**

Annexure A

Details of Directors as on March 31, 2015 seeking appointment/ re-appointment at the Annual General Meeting.
(Pursuant to Clause 49(VIII)(E)(1) of the Listing Agreement)

Name of the Director	Mrs. Vankineni Phani Anupama
Date of Birth	05-02-1971
Date of Appointment	13-12-2013
Relationship with Directors	She is related to Mr. Vankineni Bhanu Prakash, Managing Director and Mr. Vankineni Kiran Kumar, Director
Expertise in specific functional area	She has been handling various activities of the company effectively with her vast experience and expertise. Hailing from the science background she understood the geographical advantage she could get for the extraction of the rice brawn oil industry in Eluru, and helped her husband in setting up of Solvent extraction plant with in no time at Eluru where there is abundant availability of raw material i.e. rice- brawn for the industry. She has been striving hard towards growth and success of the company and has Immensely contributed towards the growth of the company .
Qualification	M.Sc (Nutrition)
@ Board Membership of other companies as on March 31, 2015	NIL
Chairman/ Member of the Committee of the Board of Directors as on March 31, 2015 .	NIL
Chairman/Member of the Committee of Directors of other companies in which he is a director as on March 31, 2015	NIL
a) Audit Committee	NIL
b) Stakeholders' Relationship Committee	NIL
c) Nomination and Remuneration Committee	NIL
Number of shares held in the Company as on March 31, 2015.	3,69,200

Note:

@ This does not include position in foreign companies, position as an advisory board member and position in companies under Section 8 of Companies Act, 2013.

DIRECTOR'S REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting herewith the 21st Annual Report on the business of Your Company together with the Audited Accounts for the financial year ended 31st March, 2015.

FINANCIAL RESULTS**(Amount in Rs.)**

PARTICULARS	Financial Year 2014-15	Financial Year 2013-14
TOTAL INCOME	84,34,42,264	41,08,39,503
TOTAL EXPENDITURE	81,17,90,475	39,21,67,486
Profit/(Loss) before Depreciation & Financial Charges	3,16,51,789	1,86,72,017
Depreciation	45,29,825	51,51,627
Financial Charges	2,34,65,521	1,86,67,382
Profit/Loss Before Tax	36,56,443	(51,46,992)
Prior period items	-	-
Provision for tax	-	-
Deferred tax	49,83,987	(31,74,925)
NET PROFIT/(LOSS)	(13,27,543)	(19,72,068)

REVIEW OF OPERATIONS:

During the year under review the gross sales registered a growth of more than 105%. With a view to get hold, stabilize, compete increase the Company's presence in the market initially the Company is not concentrating on margins. The move would certainly create good presence and name to the Company which would enable the Company in future to generate good income.

DIVIDEND:

In the absence of profits, the directors of your Company do not recommend any dividend for the Financial Year 2014-15.

TRANSFER TO RESERVES:

Your Company has not transferred any amount to the general reserve.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

Mrs. Phani Anupama Vankineni, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

During the year under review Mrs. Jonnada Vaghira Kumari ceased to be the Company Secretary of the Company w.e.f 30th September, 2014.

AUDITORS

At the Annual General Meeting held on September 30, 2014, M/s. Ramasamy Koteswara Rao & co, Chartered Accountants, (Registration No. 010396S), Hyderabad, were appointed as statutory auditor of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Ramasamy Koteswara Rao & co, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Secretarial Auditor:

P.S.Rao & Associates, Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules there-under. The secretarial audit report for FY 2014-15 forms part of the Annual Report as **Annexure-1** to the Board's report.

The Board has appointed P.S.Rao & Associates, Practicing Company Secretaries, as secretarial auditors of the Company for the financial year 2015-16.

DIRECTORS' RESPONSES ON THE QUALIFICATIONS MADE BY THE SECRETARIAL AUDITORS IN THEIR REPORT:

With regard to the qualification raised in the Secretarial Audit Report with regard to non-appointment of CFO & Company Secretary, your Company has made all possible sincere and valid efforts to appoint Company Secretary, subsequent to Mrs. Jonnada Vaghira Kumari cessation on 30th September, 2014, but none were ready to work with your Company, as the registered office of the Company is situated at a small village near Eluru Town. Your Company is constantly trying to fill the post(s) of Key Managerial Personnel and is hoping that its efforts to comply with the statutory requirement would be fruitful in the days to come.

FORMAL ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As required under the provisions of Schedule IV of the Companies Act, 2013 the performance evaluation of independent directors has been done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee.

None of the independent directors are due for re-appointment

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Various Audit Systems in the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the audit reports the units undertake corrective action in their respective areas and strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy, policy to determine material subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

NOMINATION AND REMUNERATION POLICY

A committee of the Board named as "Nomination and Remuneration Committee" has been constituted to comply with the provisions of section 178, Schedule IV of the Companies Act and Clause 49 of the Listing Agreement and to recommend a policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time. Nomination and Remuneration Policy of the Company is enclosed herewith as **Annexure -2**.

RISK MANAGEMENT:

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management