

22nd
ANNUAL REPORT
2015-2016

DILIGENT INDUSTRIES LIMITED

22nd Annual General Meeting
30th September 2016
At 03:00 PM
Dwarka Thirumala Road, Denduluru
Village and Mandal, West Godavari,
A.P.-534 432

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COMPANY INFORMATION

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

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

Stakeholders Relationship Committee

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

Secretarial Auditors

M/s P.S.RAO & Associates
6-3-347-22/2, Flat-10, 4th Floor,
Iswarya Nilayam,
Dwarakapuri Colony, Punjagutta
Hyderabad, Telangana-500 082

Registrars & Share Transfer Agent

M/s Venture Capital and Corporate
Investments Private Limited
12-10-167, Bharat Nagar,
Hyderabad -500 018
Email: info@vccipl.com
Website: www.vccipl.com

Registered Office

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

Bankers

Indian Bank
R.R Pet, Eluru,
Andhra Pradesh

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of Diligent Industries Limited will be held on Friday the **30th day of September, 2016 at 3.00 PM** at Registered Office of the Company at Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari District – 534 432, A.P, to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1 - Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Reports of the Board of Directors and the Auditors thereon.

ITEM NO. 2-Appointment of a Director

To appoint a Director in the place of Mrs. Phani Anupama Vankineni (DIN: 00935032) who retires by rotation and being, offers herself for reappointment.

ITEM NO. 3 – Appointment of Auditors

To appoint M/s Nekkanti Srinivasu & Co., Chartered Accountants, (Firm Registration No.008801S) as Statutory Auditor in the place of M/s Ramasamy Koteswara Rao & Co, Chartered Accountants.

“**RESOLVED THAT** pursuant to the provisions of Sections 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification, or variation thereof, and pursuant to the recommendation of audit committee and the Board of Directors, M/s Nekkanti Srinivasu & Co, Chartered Accountants , (Firm Registration No.008801S) as Statutory Auditors of the Company in the place of M/s Ramasamy Koteswara Rao & Co, Chartered Accountants who expressed their inability to continue with office, for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held for the financial year 2020-21, subject to such appointment be ratified by the members of the Company at every Annual General Meeting , upon such fees terms and conditions as may be mutually agreed by the Board of Directors and Auditors.”

SPECIAL BUSINESS:

ITEM No. 4- Reappointment of Managing Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 & 203 the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) and re-enactment thereof for the time being in force), recommendation of the Nomination and Remuneration Committee, the consent and approval of the Company be and is hereby accorded for the reappointment of Mr.Bhanu Prakash Vankineni, as Managing Director of the Company, for a period of 3 years with effect from 14th November, 2016 on the remuneration, perquisites and other allowances as detailed here under and subject to the limits as specified under Schedule V of the Companies Act, 2013:

A Salary:

Basic Salary of Rs. 1,25,000/- per month.

B Perquisites and Allowances:

a) **Encashment of Leave:** Not exceeding One month's Basic Salary per annum.

C Others:

- a) Provision of One Car with Chauffeur on Company's business/ personal use and telephone(s) at residence will not be considered as perquisites. Personal long distance calls on telephones shall be billed by the Company to Mr.V.Bhanu Prakash as far as possible on actual basis failing which on an estimated basis.
- b) Apart from the above Mr.V.Bhanu Prakash is also entitled to contribution to Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave as per the rules of the Company. These will not be considered as perquisites as per the provisions of the Income Tax Act and will not be considered for calculation of overall remuneration as per Schedule XIII of the Companies Act, 1956 and corresponding Schedule V of the Companies Act, 2013.

“FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Mr. Bhanu Prakash Vankineni, Managing Director, as minimum remuneration during his tenure, in the event of loss or inadequacy of profits in any financial year for a period of three (3) years.”

“FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

By order of the Board of Directors
For DILIGENT INDUSTRIES LIMITED

Place: Denduluru
Date: 13-08-2016

Bhanu Prakash Vankineni
Managing Director
DIN: 00919910

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 **23-09-2016 to 30-09-2016** (both days inclusive).
- 4 M/s. Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad-500018 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 **27th September, 2016 at 9.00 AM and ends on 29th September, 2016 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 **23rd September, 2016**, 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.

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(viii) If you are a first time user follow the steps given below:

	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. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>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.</p>
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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <DILIGENT INDUSTRIES LIMITED> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) 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.

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- 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.
- (xx) 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. 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.
 12. 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.
 13. Compliance Officer of the Company will address all the grievances in relation to this annual general meeting including e-voting. His contact details are E mail:diligentinvestors@gmail.com Phone Nos.040-23352185.
 14. The members may download a copy of the notice of this meeting and the results declared along with the
 15. Scrutinizer's Report from the website of the Company (www.diligentindustries.com) or from www.evotingindia.com

By order of the Board of Directors
For Diligent Industries Limited

Place: Denduluru

Date: 13-08-2016

Bhanu Prakash Vankineni
Managing Director
DIN: 00919910

Annexure to the Notice

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

Item No. 3

In view of, the existing statutory auditors expressed their inability to continue it was proposed to appoint M/s. Nekkanti Srinivasu & Co., Chartered Accountants (FRN: 008801S) as statutory auditors for a period of 5 years from the financial year 2016-17 who submitted the written consent to such proposed appointment. The Board of Directors of the Company, based on the recommendation of Audit Committee recommended the appointment of M/s Nekkanti Srinivasu & Co., Chartered Accountants as Statutory Auditors of the Company in the place of M/s Ramasamy Koteswara rao & Co , Chartered Accountant. Accordingly, the appointment of M/s. Nekkanti Srinivasu & Co., Chartered Accountants is being proposed as statutory auditors at the ensuing Annual General Meeting. None of the Director(s), Key Managerial Personnel or their relatives, are in any way, concerned or interested financially or otherwise in the above resolution.

Item No. 4

Pursuant to the recommendation of Remuneration Committee, provisions of Section 203, 196, 197 and Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Board of Directors of the Company on 13th August, 2016, subject to the approval of the members, are proposing to appoint Mr.Bhanu Prakash Vankineni, as Managing Director of the Company, for a period of 3 years with effect from 14th November, 2016 on the remuneration, perquisites and other allowances as set out in the resolution.

Statement as per Section II (A) of Part II of Schedule V of the Companies Act, 2013:**I. General Information:**

- 1. Nature of Industry:** The Company is engaged in the business of production/extraction of rice bran oil and other allied products.
- 2. Date or expected date of commencement of commercial production: N.A.**
- 3. In case of new companies, expected date of commencement of activities as per project approval by financial institutions appearing in the prospectus: N.A**

4. Financial performance based on given indicators.**(Rs. In Lakhs)**

Financial Parameters	2015-16	2014-15	2013-14
Total income	4590.22	8434.42	4108.39
PBT	5.16	36.56	(51.46)

5. Foreign investments or collaborations, if any: N.A**II. Information about the appointee:****1. Background details.**

Mr. Bhanu Prakash Vankineni, is the promoter of erstwhile Aditya Agro Allied Oils Limited and became part of the promoter group of the Company, subsequent to the merger of Aditya Agro Allied Oils Limited with the Company and is holding Masters Degree (M.Sc.). Having come from rich agricultural family he knows very well about the tendency of agri-commodities and their marketing as his family was basically dealing in various agri-commodities on seasonal basis. Being experienced in the agri commodities trading, he studied the demand for the oil products in India and set-up an oil solvent extraction, edible oil plant in a record time of 7 months in the year 2008. Being a holder of Masters Degree in Mathematical Science he always looks for new developments in the industry where he operates and his focus is always on strategic planning and better understanding the quality and variety of edible oils, de-oiled cake and other related products.

The overall day to day affairs and management decisions taken by our Company are under the able guidance and supervision of Mr Bhanu Prakash Vankineni. He presently looks after strategic Business planning, business development and client interface in the Company. He is responsible for developing the business, identifying strategic partners and customers and providing sales, Consulting & support.

2. Past Remuneration.

2013-14 -Rs.20,25,000
 2014-15- Rs.15,00,000
 2015-16-NIL

3. Recognition or awards: N.A**4. Job Profile and his suitability**

Mr. Bhanu Prakash Vankineni is entrusted with substantial powers of the Management of the Company subject to the superintendence, control and direction of the Board of Directors, the provisions of Memorandum and Articles of Association and subject to the restrictions if any imposed by the Companies Act, 2013. He shall do all acts to promote, develop and extend the business of the Company. His vast experience in the industry will help the Company to grow and prosper. He is well suited as he is not only experienced but also versed with the entire operations of the Company.

5. Remuneration proposed: As detailed in the resolution**6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person**

The proposed remuneration to the appointee is in line with the remuneration comparable to the size of the Company and also that of the industry and of the position and person.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Mr. Bhanu Prakash Vankineni is one of the promoter director and having control stake in the Company along with his relatives and associates.

He is the husband of Mrs. Vankineni Phani Anupama and brother of Mr. Kiran Kumar Vankineni, who are the Directors of the Company.

III. Other Information:

1. Reasons of loss or inadequate profits: Due to subdued markets and cheaper imports and non availability of raw-materials the operations have been affected.

2. Steps taken or proposed to be taken for improvement:

- a) Entering into long-term contract with the raw-material suppliers for continuous supply.
- b) Direct marketing of by-products to improve the margins.

3. Expected increase in productivity and profits in measurable terms.

The Company is expecting to get good results in next 2 to 3 years due to implementation of measures stated above.

As per the provisions of the Companies Act, 2013, it requires the consent of the members by way of Special Resolution for re-appointing Mr. Bhanu Prakash Vankineni as the Managing Director of the Company, therefore the Board commends your approval for the said resolution.

Except Mr. Bhanu Prakash Vankineni, being the appointee, Mrs. Phani Anupama Vankineni and Mr. Kiran Kumar Vankineni, none of the other Director(s), Key Managerial Personnel or their relatives, are in any way, concerned or interested financially or otherwise in the above resolution.

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting (Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

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.