

**23<sup>rd</sup>  
ANNUAL REPORT  
2016-2017**

**DILIGENT INDUSTRIES LIMITED**



**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
Mr. S Subramaniam	: 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.NSVR & Associates LLP  
(Formally known as Nekkanti Srinivasu&Co)  
Chartered Accountants  
Flat No. 202, Plot No:28, Panchavathi  
Co-operative society, Road No.10,  
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,  
IswaryaNilayam, Dwarakapuri  
Colony,Punjagutta  
Hyderabad, Telangana-500 082

**Registrars & Share Transfer Agent**

M/sVenture Capital and Corporate  
Investments Private Limited  
# 12-10-167, Bharat Nagar,  
Hyderabad -500 018

**Registered Office**

Dwarka Thirumala Road,  
Denduluru Village and Mandal,  
West Godavari-534 432,  
Andhra Pradesh

Email:info@vccipl.com  
Website: www.vccipl.com

Email:diligentinvestors@gmail.com  
Web: www.diligentindustries.com

**Bankers**

Indian Bank  
R.R Pet, Eluru,  
Andhra Pradesh

**NOTICE**

**Notice is hereby given that** the 23<sup>rd</sup> Annual General Meeting of the Members of Diligent Industries Limited will be held on **Friday the 29<sup>th</sup> day of September, 2017 at 4:00 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, 2017 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 Mr.Kiran Kumar Vankineni (DIN:02696680) who retires by rotation and being eligible, offers himself for re-appointment.

**ITEM NO. 3 – Ratification of Appointment of Auditors**

To consider the re-appointment of Statutory Auditors and to fix their remuneration and in this regard 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 of the Companies Act, 2013 and the Rules made there-under, and pursuant to the recommendation of the audit committee, the consent of the members of the Company be and is hereby accorded to ratify the appointment of M/s NSVR & Associates LLP (Formally known as M/s Nekkanti Srinivasu &Co), Chartered Accountants , (Firm Registration No.008801S), who have been appointed as Statutory Auditors of the Company at 22<sup>nd</sup> Annual General Meeting for a period of 5 years subject to ratification of members at every Annual General Meeting, on such terms 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, 2018 and to hold office up to the conclusion of the next Annual General Meeting.”

**SPECIAL BUSINESS:**

**ITEMNo.4 :**To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. S Shanmugasundaram (DIN No.02271568), who was co-opted as an Additional Director of the Company pursuant to the provisions of Section 161 and all other applicable provisions of the Companies Act, 2013 and who holds office as such up to the date of this Annual General Meeting and in

respect of whom the Company has received a Notice in writing under Section 160, along with a deposit of Rs.1,00,000/- (Rupees One Lakh only), proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

**"FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. S Shanmugasundaram (DIN No.02271568), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of Five (5) years from the ensuing Annual General Meeting, whose period of office shall not be determinable by retirement of Directors by rotation."

**ITEM NO.5** – To Consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 and read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including statutory modification(s) and re-enactment thereof time being in force) and recommendation of Nomination and Remuneration Committee, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Kiran Kumar Vankineni as an Executive Director of the Company for a period of 3 years with effect from 1<sup>st</sup> August, 2017 on such remuneration, perquisites and other allowances as mutually agreed, but subject to maximum limit of Rs1,00,000/- (Rupees One Lakh only) per month."

**"FURTHER THAT** the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Mr. Kiran Kumar Vankineni, Executive Director, as minimum remuneration to be payable during his tenure, in the event of loss or inadequacy of profit in any financial year during the period of three 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 this resolution."

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

Place: Denduluru  
Date: 16-08-2017

**Sd/-**  
**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 The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the special business is annexed herewith.
- 3 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 **22-09-2017 to 29-09-2017** (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 **26<sup>th</sup> September, 2017 at 9.00 AM and ends on 28<sup>th</sup> September, 2017 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 **22<sup>nd</sup> September, 2017**, 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](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● 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.</li> <li>● 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.</li> </ul>
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	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>● 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).</li> </ul>

- (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](mailto: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](mailto: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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 Email: [diligentinvestors@gmail.com](mailto: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 Scrutinizer's Report from the website of the Company ([www.diligentindustries.com](http://www.diligentindustries.com)) or from [www.evotingindia.com](http://www.evotingindia.com).
  15. Brief Profile of Directors seeking appointment and re-appointment at the 23<sup>rd</sup> Annual General Meeting (pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 ) is attached to this Notice as **Annexure-A**.

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

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

**Item No. 4**

Pursuant to Section 161 of the Companies Act, 2013, the Board has co-opted Mr. S Shanmugasundaram (DIN No.02271568), as an Additional Director during the year. He holds office upto the date of the ensuing Annual General Meeting. In this regard the Company has received a request in writing from a member of the Company proposing candidature of Mr.S. Shanmugasundaram (DIN No.02271568), as Independent Director of the Company, in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board considered to co-opt Mr.S. Shanmugasundaram (DIN No.02271568), as Director.

Mr.S Shanmugasundaram (DIN No.02271568), has given declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, the Director fulfills the conditions specified in the Companies Act, 2013 and Rules made there-under for his appointment as Independent Director of the Company and he is

Independent of the management. Mr. S Shanmugasundaram (DIN No.02271568) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and he has given his consent to act as Director.

As per the provisions of Section 160 of the Companies Act, 2013, any such proposal ought to be approved by the members in their General Meeting, hence the Board recommends the resolution for your approval.

Except Mr. S Shanmugasundaram (DIN No.02271568), none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution.

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

#### **Item No. 5**

Pursuant to the Recommendation of the Nomination and Remuneration Committee, provisions of Section 196, 197, 203, and Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Board of Directors of the Company have proposed to re-appoint Mr. Kiran Kumar Vankineni, as Executive Director of the Company for a period of three years w.e.f 1<sup>st</sup> August, 2017, subject to the approval of members, on such remuneration, perquisites and other allowances if any, subject to a maximum of Rs.1,00,000/- (Rupees One Lakh only) per month.

#### **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 performance	2014-15	2015-16	2016-17
Total Income	8388.04	4565.12	6077.74
PBT	34.11	5.16	7.36