

**24<sup>th</sup>  
ANNUAL REPORT  
2017-2018**

**DILIGENT INDUSTRIES LIMITED**



**COMPANY INFORMATION****Board of Directors**

Mr. Bhanu Prakash Vankineni	: Managing Director
Mr. Kiran Kumar Vankineni	: Director
Mrs. Phani Anupama Vankineni	: Director
Mr. Srinivas Babu Edupuganti	: Independent Director
Mr. V.V.Vinod Kumar	: Independent Director (Chairman)

**Board Committees****Audit Committee**

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

**Nomination & Remuneration Committee**

Mrs. Phani Anupama Vankineni- Member  
Mr. V.V.Vinod Kumar – Member  
Mr. Srinivas Babu Edupuganti - Chairman

**Stakeholders Relationship Committee**

Mrs. Phani Anupama Vankineni- Chairperson  
Mr. V. Bhanu Prakash-Member

**Registrars & Share Transfer Agent**

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

**Bankers**

Indian Bank  
R.R Pet, Eluru,  
Andhra Pradesh

**Auditors**

M/s.NSVR& Associates LLP  
(Formally known as Nekkani Srinivasu & Co)  
Chartered Accountants  
Flat No. 202, Plot No:28,  
Panchavathi Co-operative Society,  
Road No.10, Banjara Hills  
Hyderabad – 500 034.

**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

**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 24<sup>th</sup> Annual General Meeting of the Members of Diligent Industries Limited will be held on **Saturday the 29<sup>th</sup> day of September, 2018 at 03.00 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, 2018 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.

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

Place: Denduluru  
Date: 14.08.2018

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 **22-09-2018 to 29-09-2018** (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, 2018 at 9.00 AM and ends on 28<sup>th</sup> September, 2018 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, 2018**, 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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<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"> <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>
<b>DOB</b>	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.
<b>Dividend Bank Details</b>	<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"> <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).

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

Place: Denduluru  
Date: 14.08.2018

**Sd/-**  
**Bhanu Prakash Vankineni**  
Managing Director  
DIN: 00919910

**ANNEXURE - A**

Details of Directors as on March 31, 2018 seeking appointment/  
re-appointment at the Annual General Meeting

[Pursuant to Regulation 36 of SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015]

<b>Name of the Director</b>	<b>Mrs.Vankineni Phani Anupama</b>
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 over looking administrative functions and also got good exposure in operational side over the period. Hailing from the science background she understood the geographical advantage she could get for the extraction of the rice bran 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-bran 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 31 <sup>st</sup> March, 2017	NIL
Chairman/ Member of the Committee of the Board of Directors as on 31 <sup>st</sup> March, 2017	NIL
Chairman/Member of the Committee of Directors of other companies in which he is a director as on 31 <sup>st</sup> March, 2018	
a) Audit Committee	NIL
b) Stakeholders' Relationship Committee	Chairman
c) Nomination and Remuneration Committee	Member
Number of shares held in the Company as on 31 <sup>st</sup> March, 2018	7,38,400



**DIRECTOR'S REPORT**

To the Members,

Your Directors have pleasure in presenting herewith the 24<sup>th</sup> Annual Report on the business of Your Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2018.

**Financial Results**

(Rs. In Lakhs)

<b>PARTICULARS</b>	<b>Financial Year 2017-18</b>	<b>Financial Year 2016-17</b>
TOTAL INCOME	7,847.40	6,089.30
TOTAL EXPENDITURE	7,744.58	6,081.94
Profit/(Loss) before Depreciation & Financial Charges	7,531.00	208.72
Depreciation	49.39	44.70
Financial Charges	164.17	157.65
Profit/Loss Before Tax	102.82	7.35
Prior period items	-	-
Provision for tax	-	-
Deferred tax	(4.56)	3.26
NET PROFIT/(LOSS)	67.50	4.09

**REVIEW OF OPERATIONS:**

With a view to get hold, stabilize, compete increase the Company's presence in the market initially the Company is concentrating on the trading. The move would certainly create good presence and name to the Company, which would enable the Company in future to generate good income. During the year under review, as the price volatility of trading was very high, the volume of trade restrained to the extent reported.

**CHANGE IN NATURE OF BUSINESS:**

During the year under review, there is no change in the nature of business carried out by your Company.

**DIVIDEND:**

In the absence of profits, the directors of your Company did not recommend any dividend for the Financial Year 2017-18.

**TRANSFER TO RESERVES:**

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

**DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL:**

As per the provisions of the Companies Act, 2013, Mrs. Phani Anupama Vankineni, Director of the Company, retires at Annual General Meeting and being eligible, offers himself for re-appointment.

During the year Mr. Subramaniam Shanmugasundaram (DIN: 02271568) and Mr. Visweswara Rao Kothapalli (DIN: 02447465) have ceased to be the directors of the company w.e.f 04/01/2018 due to their disqualification under the provisions of the Companies Act.

**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.

**INDEPENDENT DIRECTORS' DECLARATION:**

The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in Section 149(6) and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**STATUTORY AUDITORS:**

At the 22nd Annual General Meeting M/s NSVR & Associates LLP (Formally known as M/s Nekkanti Srinivasu & Co), Chartered Accountants, (Firm Registration No.008801S), 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 2020-21. They have confirmed their eligibility for the financial year 2017-18 under section 141 of the Companies Act, 2013. The Companies (Amendment) Act, 2017 has omitted the requirement of ratification of appointment of statutory auditors at every Annual General Meeting.

**SECRETARIAL AUDITORS:**

M/s.P.S.Rao & Associates, Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules there-under. The secretarial audit report for FY 2017-18 forms part of the Annual Report as **Annexure-I** to the Board's report.

The Board has appointed M/s.P.S.Rao & Associates, Practicing Company Secretaries, as secretarial auditors of the Company for the financial year 2018-2019.

**Comments by the Board on Every Qualification, Reservation or Adverse Remark or Disclaimers:**

As there is no qualification, reservation or adverse remark in the reports made by the Auditors, your directors need not give their comments on that.

However with regard to the qualification raised by the Secretarial Auditor, with regard to appointment of Company Secretary, your Company states that as the registered office of the Company is situated in a village which is far away from any nearby town, none of the qualified personnel are intending to come and work in the village environment, however your Company is taking steps to find a suitable candidate.

**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. Management has set-up a system to monitor and evaluates the efficacy and adequacy of internal control system in the Company on regular basis, 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.