

**25th
ANNUAL REPORT
2018-2019**

DILIGENT INDUSTRIES LIMITED

COMPANY INFORMATION**Board of Directors**

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

Key Managerial Personnel

Mr. Kiran Kumar Vankineni	: Chief Financial Officer
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Board Committees**Audit Committee**

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

Nomination & Remuneration Committee

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

Auditors

M/s.NSVR & Associates LLP
Chartered Accountants
Flat No. 202, Plot No: 28,
Panchavathi Co-operative society,
Road No.10, Banjara Hills,
Hyderabad – 500 034.

Stakeholders Relationship Committee

Mrs. Phani Anupama Vankineni- Chairperson
Mr. Bhanu Prakash Vankineni - Member
Mr. Srinivas Babu Edupuganti- Member

Secretarial Auditors

M/s P.S.RAO & Associates
6-3-347-22/2, Flat-10, 4th Floor,
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 25th Annual General Meeting of the Members of Diligent Industries Limited will be held on **Monday the 30th day of September, 2019 at 03.00 PM** at Registered Office of the Company at Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari District, AP- 534 432, 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 31st March, 2019 together with the Reports of Board of Directors, Auditors and such other reports annexed thereon.

ITEM NO. 2-Appointment of a Director

To appoint a Director in the place of Mr. KiranKumar Vankineni (DIN:02696680) who retires by rotation and being eligible, offers herself for reappointment

SPECIAL BUSINESS:**ITEM NO. 3: Re- appointment of Mr. Bhanu Prakash Vankineni as Managing Director**

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

RESOLVED THAT pursuant to provisions of Section 196, 197 and 203 of the Companies Act, 2013 (“ACT”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, on the recommendation of Nomination and Remuneration Committee, the consent of members of the Company be and is hereby accorded to appoint Mr. Bhanu Prakash Vankineni (DIN: 00919910), as the Managing Director of the Company to hold office for a another period of 3 years w.e.f. 14th November, 2019, on the gross remuneration, perquisites and other allowances not exceeding Rs. 2,50,000 per month.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Bhanu Prakash Vankineni (DIN: 00919910), Managing Director, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limit specified under the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of loss/absence of profits or inadequacy of profits in any financial year during his tenure as referred above, the said remuneration shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT this resolution will be effective from 14th November, 2019 until when previous resolution passed at the 22nd Annual General Meeting held on 30th September, 2016 shall be in force.

ITEM NO. 4: Re- appointment of Mr. V.V. Vinod Kumar as Independent Director

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

RESOLVED THAT pursuant to provisions of Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act (“ACT”), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment(s) thereof for the time being in force) and on the recommendation of Nomination and Remuneration Committee, the consent of members of the Company be and is hereby accorded to appoint Mr. V V Vinod Kumar (DIN: 03642809), whose tenure of office as Independent Director expires at this Annual General Meeting, having submitted a declaration

that he meets the criteria of Independence under Section 149 of the Companies Act, 2013 and is eligible for re-appointment as Independent Director of the Company to hold office for a period of five years w.e.f. 30th September, 2019.

ITEM NO. 5: Re- appointment of Mr. Srinivas Babu Edupuganti as Independent Director

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

RESOLVED THAT pursuant to provisions of Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act ("ACT"), the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including statutory modification(s) or re-enactment(s) thereof for the time being in force) and on the recommendation of Nomination and Remuneration Committee, the consent of members of the Company be and is hereby accorded to appoint Mr. Srinivas Babu Edupuganti (DIN: 03637508), whose tenure of office as Independent Director expires at this Annual General Meeting, having submitted a declaration that he meets the criteria of Independence under Section 149 of the Companies Act, 2013 and is eligible for re-appointment as Independent Director of the Company to hold office for a period of five years w.e.f. 30th September, 2019.

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

Place: Denduluru

Date: 14.08.2019

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

NOTES:

- 1 The Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') with respect to item No. 3, 4 & 5 forms part of this Notice. Additional Information, pursuant to applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of Directors seeking appointment/ re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished annexure to this Notice.
- 2 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
- 3 Proxy forms, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the company not less than forty-eight hours before the time fixed for the Meeting. A Proxy Form is annexed to this Notice.
- 4 The Share Transfer Register and the Register of Members of the Company will remain closed from **22-09-2019 to 30-09-2019** (both days inclusive).
- 5 M/s. Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad-500018 is the Registrar & Share Transfer Agent (RTA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
- 6 Members desiring any information or clarification as regards 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.

- 7 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.
- 8 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.
- 9 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.
- 10 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. Members may also note that Integrated will also be available on the Company's Website www.diligentindustries.com
- 11 To support the "Green Initiative" the members who have not registered their e-mail addresses are requested to register the same with Registrar and Share Transfer Agent.
- 12 Process and manner for members opting for e-voting are as under: In Compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Including statutory modification(s) or re-enactment(s) for the time being in force), The Company is pleased to provide e-voting facility to its members enabling them to cast their votes electronically through e-Voting services provided by M/s Central Depository Services (India) Limited.

The instructions for e-voting are as under:

- (i) The voting period begins on **27th September, 2019 at 9.00 AM and ends on 29th September, 2019 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 **24th September, 2019**, 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.

(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	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).

- (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.
- 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.

13. 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.
14. The Board of Directors has appointed Mrs. N.Vanitha, a Practising Company Secretary as a Scrutinizer to process the e-voting and submit a report to the Chairman.
15. 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 Phone Nos.040-23352185.
16. 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.
17. Brief Profile of Directors seeking appointment and re-appointment at the 25th Annual General Meeting (pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015) is attached to this Notice as **Annexure-A**.

Explanatory Statement

(Pursuant to the provisions of Section 102 (1) and Section 110 of the Companies Act, 2013)

The following statement sets out the all material facts relating to special businesses mentioned in the accompanied Notice:

Item No: 3

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 approved by financial institutions appearing in the prospectus: N.A.

4. Financial Performance based on given indicators:

(Rs. in Lakhs)

Financial Parameters	2018-19	2017-18	2016-17
Total Income	7971.98	7847.41	6089.31
PBT	48.88	98.33	7.36

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 Master's Degree in Mathematical Science(M.Sc.). Having come from rich agricultural family he knows very well about the tendency of agri-commodities on seasonal basis. Being experienced in the agri- commodities trading, he studied the demand for 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 Master's 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.

2016-17 - Rs. 15,00,000/- (Foregone his salary for FY 2016-17)

2017-18 - Rs. 15,00,000/- (Foregone his salary for FY 2017-18)

2018-19 - Rs. 15,00,000/- (Foregone his salary for FY 2018-19)

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 directors and having control stake with 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. **Reason of loss or inadequate profits:** Due to stubbed 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, is/are in any way, concerned or interested financially or otherwise in the above resolution.

A brief profile of the Managing Director to be re-appointed, including the nature of his expertise and other disclosures as required under Regulation 36 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 is provided in Annexure-A to this notice.

Item No: 4:

Pursuant to the provisions of the Section 149 and other applicable provisions of Companies Act, 2013, Mr. V V Vinod Kumar was appointed as Independent Director of the Company w.e.f 30.09.2014 for a term five (5) years. The Term referred to above will come to an end at the ensuing Annual General Meeting.

The Nomination and Remuneration Committee (NRC) on the basis of report of performance evaluation, has recommended the re-appointment of Mr. V.V. Vinod Kumar, as Independent Directors for a second term of Five (5) consecutive years on the Board.

The Board based on the performance evaluation and as per the recommendation of the NRC, recommends re-appointing Mr. V.V. Vinod Kumar as an Independent Director of the Company, not liable to retire by rotation, for a second term of Five (5) consecutive years on the Board of the Company.

Mr. V.V. Vinod Kumar has given his consent to act as director and declaration to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013. He further submitted a declaration that he meets the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors, after reviewing the declaration submitted by Mr. V.V. Vinod Kumar, is of the opinion

that he fulfills the conditions specified in the Companies Act, 2013 and Listing Regulations and he is independent of the Management. The Board commends his appointment (in Item No 4 to this notice as Special Resolution) as Independent Director for the second term of five years effective from the ensuing Annual General Meeting.

A brief profile of the Independent Director to be re-appointed, including the nature of his expertise and other disclosures as required under Regulation 36 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 is provided in Annexure-A to this notice.

Except Mr. V. V. Vinod Kumar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the above said resolution.

ITEM NO: 5

Pursuant to the provisions of the Section 149 and other applicable provisions of Companies Act, 2013 Mr. Srinivas BabuEdupuganti, who was appointed as Independent Director of the Company w.e.f 30.09.2014 for a term five (5) years. The Term referred to above will come to an end at the ensuing Annual General Meeting.

The Nomination and Remuneration Committee (NRC) on the basis of report of performance evaluation, has recommended the re-appointment of Mr. Srinivas BabuEdupuganti, as Independent Directors for a second term of Five (5) consecutive years on the Board.

The Board based on the performance evaluation and as per the recommendation of the NRC, recommend to re-appoint Mr. Srinivas BabuEdupuganti as an Independent Director of the Company, not liable to retire by rotation, for a second term of Five (5) consecutive years on the Board of the Company.

Mr. Srinivas BabuEdupuganti has given his consent to act as director and declaration to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013. He further submitted a declaration that he meets the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors after reviewing the declaration submitted by Mr. Srinivas BabuEdupuganti, are of the opinion that he fulfills the conditions specified in the Companies Act, 2013 and Listing Regulations and he is independent to the Management. The Board commend his appointment (in Item No 4 to this notice as Special Resolution) as Independent Director for the second term of five years effective from the ensuing Annual General Meeting.

A brief profile of the Independent Director to be re-appointed, including the nature of his expertise and other disclosures as required under Regulation 36 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 is provided in Annexure-A to this notice.

Except Mr. Srinivas BabuEdupuganti, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the above said resolution.

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

**Place: Denduluru
Date: 14.08.2019**

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