

20th
ANNUAL REPORT
2013-2014

DILIGENT INDUSTRIES LIMITED

COMPANY INFORMATION

Board of Directors

Mr. BHANU PRAKASH VANKINENI	: Chairman and Managing Director
Mr. KIRANKUMAR VANKINENI	: Director
Mr. 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. Ch.D.V.V.Prasad Rao	-Chairman
Mr. K. Visweswar Rao	-Member
Mr. Y. Mallikharjuna Rao	-Member

Remuneration Committee

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

Investor Grievances Committee

Mr. K. Visweswar Rao	-Chairman
Mr. E. Srinivas Babu	-Member
Mr. Phani Anupama	-Member

Company Secretary

-J. Vaghira Kumari

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, Bharat 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 20th Annual General Meeting of the members of the Company will be held on Tuesday the 30th day of September, 2014 at 3.00 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, 2014 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 Re-appoint the 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, 141 and 142 of the Companies Act, 2013, M/s. Ramasamy Koteswara Rao & co, Chartered Accountants, (Registration No. 010396S), Hyderabad, be and are hereby appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this 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, 2015.”

SPECIAL BUSINESS:

3. **To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**
“**RESOLVED THAT Mr. Bhanu Prakash Vankineni (DIN: 00919910)**, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013, along with a deposit of Rs.1,00,000/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation.”
4. **To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**
“**RESOLVED THAT Mrs. Phani Anupama Vankineni (DIN: 00935032)**, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013, along with a deposit of Rs.1,00,000/- proposing her candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company whose period of office shall be determinable by retirement of Directors by rotation.”
5. **To Consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**
“**RESOLVED THAT Mr. Kiran kumar Vankineni (DIN: 02696680)**, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013, along with a deposit of Rs.1,00,000/- proposing his candidature for the office of Director of the Company be and is hereby appointed as a Director

6. **To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:**

“**RESOLVED 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) and Clause 49 of the Listing Agreement, **Mr. K. Vishweswar Rao (DIN No. 02447465)**, Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and 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 years with effect from ensuing Annual General Meeting.”

7. **To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 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) and Clause 49 of the Listing Agreement, **Mr. V.V.Vinod Kumar (DIN No. 03642809)**, Director of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013, along with a deposit of Rs.1,00,000/- proposing his candidature and 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 years with effect from ensuing Annual General Meeting.”

8. **To consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 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) and Clause 49 of the Listing Agreement, **Mr. Srinivas Babu Edupuganti (DIN No. 03637508)**, Director of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013, along with a deposit of Rs.1,00,000/- proposing his candidature and 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 years with effect from ensuing Annual General Meeting.”

9. **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 198, 269 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and corresponding Sections 203, 196, 197 and Schedule V 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 Remuneration Committee, the consent and approval of the Company be and is hereby accorded to the appointment of Mr. Bhanu Prakash Vankineni, as Managing Director of the Company, for a period of 3 years with effect from 14th November, 2013 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:

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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 the currency of 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.”

10. **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 198, 269 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and corresponding Sections 203, 196, 197 and Schedule V 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 Remuneration Committee, the consent and approval of the Company be and is hereby accorded to the appointment of Mr.V.Kiran Kumar, as Executive Director of the Company, for a period of 3 years with effect from 20th February, 2014 on the remuneration, perquisites and other allowances as mutually agreed, but subject to the maximum limit of Rs.6,00,000/- per annum.”

“**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 during the currency of 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 : 13-08-2014

Sd/-
J. Vaghira Kumari
Company Secretary

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 **22-09-2014 to 29-09-2014** (both days inclusive).
4. M/s. Venture Capital And Corporate Investments Pvt Ltd., # 12-10-167, **Bharat Nagar, Hyderabad -500 018**, 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. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
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 obtain the Nomination forms from the Company's Registrar & Share Transfer Agents and members holding shares in electronic form may obtain the Nomination form from their respective Depository Participants.
10. 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.
11. 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. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of the AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

12. Instructions about Voting:

The Members are requested to opt for one mode of voting, i.e. either through e-voting or postal ballot. If a Member casts votes by both modes, then voting done through a valid e-Voting shall prevail and physical ballot form voting of that Member shall be treated as invalid. Please refer the following detailed instructions for both modes voting.

A) Voting through electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing Members facility to exercise their right to vote at the Postal Ballot by electronic means through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Select the "DILIGENT INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) 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.

If you are a first time user follow the steps given below.

- (vi) Fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
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.

* 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 sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to Members) 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. Eg. If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Set Password' 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.

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- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the relevant EVSN for DILIGENT INDUSTRIES LIMITED.
 - (xi) 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.
 - (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - (xiii) 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.
 - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - (xvii) 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. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.
- II. The voting period begins on **25-09-2014 (9.00 AM)** and ends on **26-09-2014 (4.00 PM)**. The e-voting module shall be disabled by CDSL for voting thereafter.
 - III. 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
 - IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22-09-2014.
 - V. **Mrs.N.Vanitha**, Practicing Company Secretary (Certificate of Practice No:10573), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

B) Other Instructions:

- I. The Scrutinizer will collate the votes downloaded from the e-voting system to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.diligentindustries.com and be communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd.
- III. Members may address any query to Mrs.N.Vanitha, Practicing Company Secretary, Tel.No.040-23352185, e-mail address: diligentinvestors@gmail.com; Website: www.diligentindustries.com

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.3:

The Board of Directors of the Company had co-opted Mr. Bhanu Prakash Vankineni as an Additional Director of the Company w.e.f 14th November, 2013, pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association. He will hold the office as an Additional Director till the date of the ensuing Annual General Meeting.

Your Company has received a notice, in writing, from a Member, under Section 160 of the Companies Act, 2013 along with a deposit of Rs.1,00,000/-, signifying his intention to appoint him as Director of the Company. The Board considers it desirable that the Company should continue to avail the services of Mr. Bhanu Prakash Vankineni and accordingly commends the resolution for your approval.

A brief profile of Mr. Bhanu Prakash Vankineni to be appointed, including nature of his expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at **Annexure A** of this Notice.

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.

Item No.4:

The Board of Directors of the Company had co-opted Mrs.Phani Anupama Vankineni as an Additional Director of the Company w.e.f 13th December, 2013, pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association. She will hold the office as an Additional Director till the date of the ensuing Annual General Meeting.

Your Company has received a notice, in writing, from a Member, under Section 160 of the Companies Act, 2013 along with a deposit of Rs.1,00,000/-, signifying his intention to appoint her as Director of the Company. The Board considers it desirable that the Company should continue to avail the services of Mrs. Phani Anupama Vankineni and accordingly commends the resolution for your approval.

A brief profile of Mrs. Phani Anupama Vankineni to be appointed, including nature of her expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at **Annexure A** of this Notice.

Except Mrs.Phani Anupama Vankineni, being the appointee and Mr. Bhanu Prakash 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.

Item No.5:

The Board of Directors of the Company had co-opted Mr. Kiran Kumar Vankineni as an Additional Director of the Company w.e.f 20th February, 2014, pursuant to provisions of Section 161 of the Companies Act, 2013 and Articles of Association. He will hold the office as an Additional Director till the date of the ensuing Annual General Meeting.

Your Company has received a notice, in writing, from a Member, under Section 160 of the Companies Act, 2013 along with a deposit of Rs.1,00,000/-, signifying his intention to appoint him as Director of the Company. The Board considers it desirable that the Company should continue to avail the services of Mr. Kiran Kumar Vankineni and accordingly commends the resolution for your approval.

A brief profile of Mr. Kiran Kumar Vankineni to be appointed, including nature of his expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at **Annexure A** of this Notice.

Except Mr. Kiran Kumar Vankineni, being the appointee and Mr. Bhanu Prakash Vankineni and Mrs.Phani Anupama 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.

Item Nos.6,7 and 8:

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. K. Vishweswar Rao, Mr. V.V.Vinod Kumar who was co-opted as an Additional Director w.e.f 1st July, 2014, and Mr. Srinivas Babu Edupuganti who was co-opted as an Additional Director w.e.f 31st July, 2014, being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Nomination and Compensation Committee and the Board of Directors have recommended appointment of Mr. K. Vishweswar Rao, Mr. V.V.Vinod Kumar and Mr.Srinivas Babu Edupuganti as Independent Directors of the Company.

Mr. K. Vishweswar Rao, Mr. V.V.Vinod Kumar and Mr.Srinivas Babu Edupuganti, Non-Executive Independent Directors of the Company, have given declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made there-under for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Copies of the draft letter of appointment of Mr. K. Vishweswar Rao, Mr. V.V.Vinod Kumar and Mr. Srinivas Babu Edupuganti as Independent Directors setting out the terms and conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at **Annexure A** of this Notice.

The Board commends the resolutions in relation to the appointment of these Directors as Independent Directors, for your approval.

Except these Directors, being appointees, none of the Director(s) and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at **item Nos. 6, 7 and 8.**

Item No.9:

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 14th November, 2013, 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, 2013 on the remuneration, perquisites and other allowances as set out in the resolution.

DILIGENT INDUSTRIES LIMITED

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	2011-12	2012-13	2013-2014
Total Income	2.5	4773.36	4070.84
PBT	(16.66)	38.16	(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.

2011-12	- Rs.14,90,000
2012-13	- Rs.24,00,000
2013-14	- Rs.20,25,000

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.

Item No.10

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 20th February, 2013, subject to the approval of the members, are proposing to re-appoint Mr. Kiran Kumar Vankineni, as Executive Director of the Company, for a period of 3 years with effect from 20th February, 2013 on the remuneration, perquisites and other allowances as mutually agreed.

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	2011 -12	2012 -13	2013 -2014
Total Income	2.5	4773.36	4070.84
PBT	(16.66)	38.16	(51.46)

5. **Foreign investments or collaborations, if any:** N.A

II. Information about the appointee:**1. Background details.**

Mr.Vankineni Kiran Kumar, has completed his engineering Degree from Nagarjuna University in the year 1987. He has rich experience of more than 18 years in Private organizations in various capacities. Mr. Kiran has been instrumental in implementing the vision of the company and has led the company's growth in the past few years. He brings in a lot of understanding and directions in all project implementation and execution. He is in-charge of implementing of best practices, thus setting up the best automated plant for the company. He is actively involved in the development activities and major expansion initiatives undertaken by the company.

As he has expertise in the field of Engineering, he can surely guide the company in setting up of proposed multi-facet plant, procuring required machineries, using updated technologies and also can help in recruitment of various employees in the concerned field and help the implementation of company's plan in an effective and efficient manner.

2. Past Remuneration:

2011-12 - Rs.2,00,000
2012-13 - Rs.4,80,000
2013-14 - Rs.4,80,000

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

Mr. Kiran Kumar Vankineni is entrusted to oversee the operations 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 mutually agreed.

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. Kiran Kumar Vankineni is related to the promoter and is having control stake in the Company along with his relatives and associates.

He is the brother of Mr. Bhanu Prakash Vankineni and brother-in-law 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 Appointing Mr.Kiran Kumar Vankineni as the Executive Director of the Company; therefore the Board commends your approval for the said resolution.

Except Mr. Kiran Kumar Vankineni, being the appointee, Mrs.Phani Anupama Vankineni and Mr. Bhanu Prakash 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.

By order of the Board of Directors
For DILIGENT INDUSTRIES LIMITED

Place: Denduluru
Date : 13-08-2014

Sd/-
J. Vaghira Kumari
Company Secretary

Annexure A
Details of Directors seeking appointment/ re-appointment at the Annual General Meeting.
(Pursuant to Clause 49(V)(E) and 49(V)(G)(i) of the Listing Agreement)

Name of the Director	Mr. Bhanu Prakash Vankineni	Mrs. Phani Anupama Vankineni	Mr. Kiran Kumar Vankineni	Mr. Srinivas Babu Edupuganti	Mr. K. Visweswara Rao	Mr. V.Vinod Kumar
Date of Birth	11/04/1966	05/02/1971	23/02/1964	01/08/1968	12/06/1983	05/06/1976
Date of Appointment	14/11/2013	13/12/2013	20/02/2014	31/07/2014	01/10/2010	01/07/2014
Relationship with Directors	He is related to Mrs. Phani Anupama Vankineni and Mr. Kiran Kumar Vankineni	She is related to Mr. Bhanu Prakash Vankineni and Mr. Kiran Kumar Vankineni	He is related to Mr. Bhanu Prakash Vankineni and Mrs. Phani Anupama Vankineni	None	None	None
Qualification	M.Sc (Mathematics)	M.Sc (Nutrition)	B.E (Mechanical)	B.Com, LLB	M.Sc	B.Com, LLB
Board Membership of other companies as on March 31, 2014 @	NIL	NIL	NIL	NIL	1. A.P Hiway India Maintenance and Engineering Private Limited	1. Ram Informatics Limited 2. Exensys Software Solutions Limited 3. Wisdom IT Services India Private Limited
Chairman/Member of the Committee of Directors of other companies in which he is a Director as on March 31, 2014						
a) Audit Committee	NIL	NIL	NIL	NIL	NIL	2
b) Remuneration Committee	NIL	NIL	NIL	NIL	NIL	2
c) Nomination and Remunerations Committee	NIL	NIL	NIL	NIL	NIL	2
Number of shares held in the Company as on March 31, 2014 #	4284800	369200	422500	NIL	NIL	NIL

Note:

@ This does not include position in foreign companies, position as an advisory board member and position in companies under Section 25 of the Companies Act, 1956 (corresponding to companies under Section 8 of Companies Act 2013) but included private limited companies.

Includes shares held jointly with immediate family members.

DIRECTOR'S REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting herewith the 20th Annual Report on the business of Your Company together with the Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS:**(Rs.)**

PARTICULARS	Financial Year 2013-14	Financial Year 2012-13
TOTAL INCOME	41,08,39,503	48,29,45,817
TOTAL EXPENDITURE	39,21,67,486	45,84,68,508
Profit/(Loss) before Depreciation & Financial Charges	1,86,72,017	2,44,77,309
Depreciation	51,51,627	47,32,748
Financial Charges	1,86,67,382	1,59,28,454
Profit/Loss Before Tax	(51,46,992)	38,16,107
Prior period items	-	-
Provision for tax	-	10,64,515
Deferred tax	(31,74,925)	8,69,912
NET PROFIT/(LOSS)	(19,72,068)	18,81,680

REVIEW OF OPERATIONS:

As you are all aware that the Hon'ble High Court of Andhra Pradesh vide its order dated 26th September, 2013 in C.P Nos.193 and 194 of 2013, has approved the Scheme of Amalgamation of M/s Adithya Agro Allied Oils Limited with your Company.

On the merger of M/s Adithya Agro Allied Oils Limited, your Company has entered into the business of extraction and distribution of edible oil, more particularly Rice Bran oil. The business and operations of erstwhile M/s Adithya Agro Allied Oils Limited, got merged with and are being carried out by your Company.

Non-availability of raw-materials, frequent power disruptions and cheaper imports apart from increase in overheads have affected the operations and margins during the year under review.

DIVIDEND:

Due to absence of profits, the directors of your Company do not recommend any dividend for the financial year 2013-14.

DIRECTORS:

During the year under review Mr. Satish Kumar Jain, Mr. Anil Kumar Jain, Mr. Yatish Jain and Mr.CH.D.V.V. Prasada Rao and Mr.Y.Mallikarjuna Rao ceased to be the Directors of the Company.

Mr.Bhanu Prakash Vankineni, Mrs. Phani Anupama Vankineni and Mr. Kiran Kumar Vankineni were co-opted as Additional Directors of the Company and they hold office as such upto the date of the ensuing Annual General Meeting. The Company has received Notice in writing along with Deposit of Rs.1,00,000/- each, proposing their candidature for the office of Director of the Company.

Pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, Mr. K. Vishweswar Rao, Mr. V.V.Vinod Kumar and Mr.Srinivas Babu Edupuganti, Independent Directors of the Company are seeking fresh appointment for five consecutive years commencing from the ensuing Annual General Meeting.

DILIGENT INDUSTRIES LIMITED

FIXED DEPOSITS:

Your Company has not accepted any deposits falling under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975 during the financial year.

AUDITORS:

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, on rotation of audit firms, and based on the recommendation of the Audit Committee, the Board recommends the re-appointment of M/s. Ramasamy Koteswara Rao & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting for a period of 3 years in accordance with the Act, subject to the ratification of shareholders at every Annual General Meeting. M/s. Ramasamy Koteswara Rao & Co., Chartered Accountants, have confirmed that the appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013. Accordingly, the appointment of M/s. Ramasamy Koteswara Rao & Co., Chartered Accountants, as the Statutory Auditors, is being proposed as an Ordinary Resolution.

EMPLOYEES INFORMATION U/S 217 (2A) OF THE COMPANIES ACT, 1956:

Pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) rules, 2011, as amended from time to time, no employee of your Company is in receipt of remuneration exceeding Rs.5,00,000/- per month or Rs.60,00,000/- per annum during the financial year.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 Your Directors' confirm that:

- i. In preparation of annual accounts for the financial year ended 31st March, 2014 the applicable Accounting Standards have been followed.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the Company at the end of the financial year ended 31st March, 2014 and of the profit and loss of the Company for the year.
- iii. The Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv. The Directors have prepared the annual accounts on a 'going concern' basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the information pertaining to Conservation of Energy is given as Annexure to this report.

In relation to Technology Absorption and Foreign Exchange Earnings, it is “NIL”.

CORPORATE GOVERNANCE:

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. Report on Corporate Governance including Auditor's certificate on compliance with the code of Corporate Governance under Clause 49 of the Listing Agreement is enclosed as Annexure to this report.

MANAGEMENT DISCUSSION AND ANALYSIS:

A report on the Management Discussion and Analysis for the year under review is annexed hereto and forms part of the Annual Report.

ACKNOWLEDGEMENTS:

Your Directors wish to express their gratitude to the shareholders, bankers, business associates and customers, for their whole-hearted support. Your Directors commend all the employees of your Company for their continued dedication, significant contributions, hard work and commitment.

For and on behalf of the Board of Directors

**Sd/-
V. Bhanu Prakash
CHAIRMAN**

Place : Denduluru
Date : 13-08-2014

ANNEXURES ATTACHED TO DIRECTORS REPORT

Form – “A”

Particulars under the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1998.

Conservation of Energy

A. Power and Fuel Consumption	2013-14	2012-13
1. Electricity		-
a) Purchased unit (Kwh)	589210	-
Total Amount (Rs.)	6236210	-
Rate/Unit (Rs.)	10.58	-
b) Own Generation		
Through Diesel Generator		
Unit (Kwh)	27192	-
Units per Ltr of Diesel Oil (Kwh)	2.14	-
Cost/Unit (Rs)	27	-
2. Paddy Husk		
Qty (Tonnes)	96.687	-
Value (Rs.)	230711	-
Rate/Tonne (Rs.)	2386	-
3. Fire Wood/Coal		
Qty (Tonnes)	868.570	-
Value (Rs)	2993784	-
Rate/Tonne (Rs.)	3446	-
B. Consumption * per unit of production		
Electricity (Kwh)	25 KWH/Ton	-
Paddy Husk (Kg)	110Kg/Ton	-
Wood (Kg)	-	-

Note: *Production Unit is different for different kind of products. Hence, consumption per unit cannot be worked out precisely and not comparable.

MANAGEMENT DISCUSSION & ANALYSIS

I. Industry structure and development:

India is the world's largest producer of rice bran oil producing about 9,00,000 tons of rice bran oil annually, accounting for about 7.5% of total global production of about 1.2 million tons. India, world's second largest producer of rice, produces around 9 million tons of rice bran every year, but only 5 million tons of it is used to extract edible oil and the remaining is used by the vanaspati segment or as cattle feed. The edible oil sector usually imports rice bran from neighboring Bangladesh, Myanmar and Sri Lanka and the import duty of 15% discouraged from importing huge quantities of rice bran oil. Rice bran oil, which is rich in mono-unsaturated fatty acids and has a higher cholesterol reducing power, is gaining significance in India recently, which in fact helps the industry as such and Company in particular to grow by leaps and bounds.

II. Opportunities, Threats, Risks and Concerns:

- a) **Opportunities**
- i. Continuous growing domestic demand
 - ii. Short supply from domestic market
 - iii. Wide market
- b) **Threats, Risks and Concerns**
- i. Cheaper Imports
 - ii. Government Regulations
 - iii. Short supply of raw-materials

III. Risk assessment and Control:

Risk assessment and control practices are well managed with the supervision of the executive management, in consultation with the middle level management personnel. These practices are applied for every project undertaken as well as for regular operations.

IV. Internal Control systems and their adequacy:

The company has an adequate internal control system commensurate with its size and nature of business. The system is designed to cover optimal utilization of the company's resources. It also ensures proper compliance of all relevant rules and regulations while taking care of correctness in recording of transactions, adherence to applicable accounting standards and management policies.

V. Financial Performance:

During the year under review, the management concentrated on the optimum utilization of working capital resources and better financial management along with debtors as it could save interest costs. However, non-availability of raw-materials timely and frequent power cuts affected the margins severely. The Company continues to concentrate on better working capital management as other overheads could not be controlled.

VI. Human Resources Development:

The Company has good relations with its employees and has the policy to comply with all the statutory requirements from time to time.

VII. Cautionary Statement:

Some of the statements contained in this report may be forward looking statements within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Factors that could make significant difference to the company's operations include economic conditions, government regulations etc. on which the company does not have any direct

For and on behalf of the board

Date: 13-05-2014

Place: Denduluru

Sd/-
Vankineni Bhanu Prakash
Managing Director

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the listing agreement)

The Company's shares are listed on BSE Limited and Madras Stock Exchange Limited. The Corporate Governance Report has been prepared in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges.

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to the highest standards of Corporate Governance Practices. The Company relies on the strong Corporate Governance systems and policies of business for healthy growth, accountability and transparency. Good Corporate Governance will certainly benefit the Board and Management to carry out the objectives effectively for the benefit of the company and its shareholders. The code of Corporate Governance emphasizes the transparency of systems to enhance the benefit of shareholders, customers, creditors and employees of the Company. In addition to compliance with regulatory requirements, the Company endeavors to ensure that the highest standards of ethical conduct are maintained throughout the organization.

The company has complied with the requirements of the Corporate Governance code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed herein below.

2. BOARD OF DIRECTORS

The Board of Directors along with its committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.

The Board presently comprises of Six (6) Directors, having rich and vast experience with specialized skills in their respective fields, out of which Three (3) are Non-Executive Directors. The Company has an Executive (Promoter) Chairman. The Independent Directors are 50% of the total number of Directors.

All the Directors on the Board of the Company have made necessary declarations/disclosures regarding their other Directorships along with Committee positions held by them in other Companies.

During the year under review **Six (6)** Board Meetings were held on **30.05.2013, 02.07.2013, 14.08.2013, 14.11.2013, 14.02.2014 and 25.03.2014**. The maximum gap between two consecutive meetings did not exceed four months. The details of the meetings held are as follows:

Name of the Director	Category	No of Board Meetings during the Year 2013-2014 and attendance		Attendance at last AGM 28-09-2013	@No of Directorships held in other Companies	#No of Memberships held in Committees
		Held	Attended			
Satish Kumar Jain ¹	Executive Director	6	5	Yes	NIL	NIL
Anil Kumar Jain ²	Executive Director	6	2	-	NIL	NIL
Yatish Jain ²	Executive Director	6	3	-	NIL	NIL
V. Bhanu Prakash ³	Executive Director	6	2	-	NIL	NIL
Y. Mallikharjuna Rao ⁴	Independent Director	6	6	No	1	2
K. Visweswar Rao	Independent Director	6	6	Yes	1	2
Ch.D.V.V.Prasad Rao ⁵	Independent Director	6	6	Yes	2	2
V. Phani Anupama ⁶	Executive Director	6	2	-	NIL	NIL
Kirankumar Vankineni ⁷	Executive Director	6	1	-	NIL	NIL
V.V.Vinod Kumar ⁸	Independent Director	6	-	-	2	NIL
Srinivas Babu Edupuganti ⁹	Independent Director	6	-	-	NIL	NIL

DILIGENT INDUSTRIES LIMITED

1. Ceased to be the Director of the Company w.e.f 20th February, 2014.
2. Ceased to be the Director of the Company w.e.f 26th August, 2013.
3. Co-opted as Director of the Company w.e.f 14th November, 2013.
4. Ceased to be the Director of the Company w.e.f 1st July, 2014.
5. Ceased to be the Director of the Company w.e.f 31st July, 2014.
6. Co-opted as Additional Director of the Company w.e.f 13th December, 2013.
7. Co-opted as Additional Director of the Company w.e.f 20th February, 2014.
8. Co-opted as Additional Director of the Company w.e.f 1st July, 2014.
9. Co-opted as Additional Director of the Company w.e.f 31st July, 2014.

@ Note: Excluding Directorship in Foreign Companies, Private Limited Companies (as specified U/s.278(1)(a) of the Act) and Section 25 Companies.

Only Membership of Audit and Investor Grievances Committees are considered.

1. **COMMITTEES OF DIRECTORS**

A. **Audit Committee**

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956. The Committee also acts in terms of reference and directions of the Board from time to time.

During the year the composition of the Audit Committee and the attendance of each Member of the Committee at the meetings were as follows:

S.No	Name of the Director	Category	No. of meetings held during the year	No. of meetings attended
1	Ch.D.V.V. Prasad Rao ¹	Chairman	4	4
2	K. Visweswar Rao	Member	4	4
3	Y. Mallikharjuna Rao ²	Member	4	3

1. Ceased to be the Director of the Company w.e.f 31st July, 2014.

2. Ceased to be the Director of the Company w.e.f 1st July, 2014.

The Chairman of the Audit Committee also attended the last Annual General Meeting of the company.

The Managing Director, Sr. Mgr. Finance, Internal Auditors and Statutory Auditors are also invited to the meetings, as required, to brief the Committee Meetings. The Company Secretary acts as the Secretary of the Committee.

The Audit Committee meetings were held during the year under review on the following date's **30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014**. The gap between two audit Committee meetings was not more than four months.

The necessary quorum was present at all the meetings.

B. **Remuneration Committee**

The Remuneration Committee comprises of Three (3) Non-Executive Directors. The Present composition of the Remuneration Committee is as follows:

S.No	Name of the Director	Category
1	V.V.Vinod Kumar	Chairman
2	K. Visweswar Rao	Member
3	E.Srinivas Babu	Member

DILIGENT INDUSTRIES LIMITED

The Remuneration Committee reviews the remuneration package payable to Executive Director(s) and Other Senior Executives in the top level management of the Company and other elements of their appointment and gives its recommendations to the Board and acts in terms of reference of the Board from time to time.

C. Investor Relations Committee

The present composition of the Investors relations Committee (Shareholders/ Investors grievances Committee) is as under:

Name of the Director	Nature of Directorship	Membership
K. Visweswar Rao	Independent	Chairman
E.Srinivas Babu	Independent	Member
Phani Anupama	Executive Director	Member

The Investors Relations Committee of the Board is empowered to oversee the redressal of investor's complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificate, transmission of shares and other miscellaneous complaints. In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the Board has authorized the Compliance Officer to approve the share transfers/transmissions and comply with other formalities in relation thereto. All investor's complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

There were no pending share transfers and un-resolved shareholders' grievances pertaining to the Financial Year ended 31st March, 2014.

D. GENERAL BODY MEETINGS

- i) The Details of the last three Annual General Meetings are given below:

Financial year ended	Date	Venue	Time	Special Resolution passed
March 31 st , 2013	28 th September, 2013.	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri, Hyderabad.	11.30 AM	No Special Resolution
March 31 st 2012	29 th September, 2012	No.-26, 16 th Cross, 5 th Phase, J P Nagar, Bangalore - 78.	11.00 AM	No Special Resolution
March 31 st , 2011	30 th September, 2011	No.-26, 16 th Cross, 5 th Phase, J P Nagar, Bangalore - 78.	11.00 AM	No Special Resolution

- ii) During the last three years the following Special Resolutions were passed at the Extra-Ordinary General Meetings/Postal Ballot.

Year	Date	Special Resolutions Passed
2012-2013	29-09-2012 (Postal Ballot)	1. Consent for alteration of objects clause of the Company. 2. Consent for shifting of registered office of the Company from the state of Karnataka to the state of Andhra Pradesh.
2011-2012	08-03-2012 (Postal Ballot)	1. Consent for alteration of objects clause of the Company. 2. Consent to change the name of the Company. 3. Consent for further issue of Equity shares on preferential basis. 4. Consent to appoint Statutory Auditors of the Company.
2010-2011	NIL	NIL

4. DISCLOSURES

A. Disclosures on Materially Significant Related Party Transactions

There were no materially significant related party transactions compared to the business volume of the Company during the year conflicting with the interest of the Company.

B. Details of Non-Compliance and Penalties

There was no non-compliance during the last three years by the Company on any matter related to capital Market. There were no penalties imposed nor strictures passed on the Company by the Stock exchanges, SEBI and any statutory Authority relating to Capital markets.

- C. As per the Internal Code of Conduct the employees have been given access to the Audit Committee.

D. CEO/ CFO Certification

The Managing Director and Manager –finance (who is heading the finance functions) have certified to the Board in accordance with Clause 49 (v) of the Listing Agreement pertaining to CEO certification for the financial year ended 31st March, 2014.

E. Compliance Certificate

Compliance certificate for Corporate Governance from Auditors of the Company is annexed hereto and forms part of this report.

F. Code of Conduct

The Company has framed the Code of Conduct for Directors and Senior Management. The Code of Conduct is applicable to all Directors and senior Management of the Company. All the members of the Board and Senior Management of the Company have affirmed compliance with their respective Codes of Conducts for the financial year ended 31st March, 2014. A declaration to this effect, duly signed by the Managing Director is annexed hereto and forms part of this Report.

G. Details of Compliances with Mandatory Requirements and Adoption of the non-Mandatory Requirements

The Company has complied with the mandatory requirements of Clause 49 and is in the process of implementation of Non-Mandatory requirements.

H. Relationship inter-se among directors

In accordance with the provisions of Section 2(77) of the Companies Act, 2013 and rules made there-under, Mr. Bhanu Prakash Vankineni, Managing Director, Mrs. Phani Anupama Vankineni and Mr. Kiran Kumar Vankineni belong to promoter group and are related to each other.

5. MEANS OF COMMUNICATION

A. Quarterly and half-yearly reports are published in two Newspapers- one in English and one in Telugu.

B. The financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and simultaneously displayed on the Company's website www.diligentindustries.com. The Secretarial Department serves to inform the investors by providing key and timely information like details of Directors, Financial results, Shareholding pattern, etc.

C. The Company is also displaying official news announcements on its website www.diligentindustries.com.

D. Management Discussion and Analysis forms part of this Annual Report.

6. GENERAL SHAREHOLDER'S INFORMATION**A. Annual General Meeting**

Date and Time	Tuesday, 30 th September, 2014- 3.00 PM
Venue	Dwaraka Thirumala Road, Dunduluru Village & Mandal
Last Date of Proxy forms submission	11.30 AM on 28.09.2014

- B. **Financial Year** : 1st April 2013 to 31st March 2014
C. **Book Closure** : 20th September, 2014 to 29th September, 2014
D. **Dividend Payment Date** : N.A.
E. **Listing on Stock Exchanges** : 1. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
2. Madras Stock Exchange Ltd, "No.30, Second Line Beach, Chennai, 600 001, Tamilnadu, India.

F. Stock Code

Name of the Stock Exchange	Stock Code	Scrip Code
BSE Limited	531153	DILIGENT
Demat ISIN No. for NSDL & CDSL	INE650C01010	

The Companies Securities are listed on the BSE Limited and Madras Stock Exchange Limited. The listing fees for the year 2014-2015 have been paid to both the above said Stock Exchanges.

A. Market Price Data & Share Performance of the Company

The monthly High, Low and trading volumes of the Companies Equity Shares during the last financial year 2013-2014 at BSE Limited are given below:

Month	BSE Limited (BSE)		
	High (Rs.)	Low (Rs.)	Volume
April, 2013	13.32	12.55	1,338
May, 2013	11.93	11.93	4,200
June, 2013	13.80	12.32	3,660
July, 2013	15.70	14.49	2,002
August, 2013	16.55	15.05	17,330
September, 2013	16.25	14.80	15,134
October, 2013	16.05	15.05	14,420
November, 2013	15.25	14.45	7,200
December, 2013	16.27	14.73	11,340
January, 2014	17.45	13.95	1,136
February, 2014	15.37	13.50	1,762
March, 2014	26.39	14.87	7,110

All Services relating to share transfer/transmissions and information may be addressed to:

I. Registrar and Share Transfer Agent

M/s. Venture Capital and Corporate Investments Private Limited,
12-10-167, Bharath Nagar,
Hyderabad - 500 018.
Tel: 040-23818475/476
Fax: 040-23868024
Email: info@vccilindia.com
Website: www.vccipl.com

The Company periodically audits the operations of share transfer agent.

J. Share Transfer System

Share Transfers in physical form shall be lodged with the Registrar at the above-said address. The share transfers are generally processed by our Registrars within 15 days from the date of receipt provided the documents are complete in all respects.

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been given by a Practicing Company Secretary certifying due compliance of shares transfer formalities.

K. Distribution of Equity Shares as on 31st March, 2014

CATEGORY		No. of Shareholders	% to Shareholders	No. of Shares Held	% to Capital
From	To				
1	500	1201	65.02	393377	3.44
501	1000	457	24.74	373929	3.27
1001	2000	109	5.90	166050	1.45
2001	3000	25	1.35	60500	0.53
3001	4000	10	0.54	36100	0.32
4001	5000	4	0.22	18816	0.16
5001	10000	9	0.49	68200	0.60
10001	ABOVE	32	1.74	10319028	90.23
TOTAL		1847	100.00	11436000	100.00

L. Shareholding Pattern as on 31st March, 2014

Category	No. of Shares held	% of Capital
Indian Promoters	7436000	65.02
Banks, Financial institutions, Insurance Companies & Mutual Funds	0	0
Foreign Institutional Investors	0	0
Indian Public & HUFs	3502974	30.63
Private Corporate Bodies	495946	4.34
NRIs /OCBs/ FCBs	0	0
Others	1080	0.01
Total	11436000	100

M. Dematerialization of shares and liquidity

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) limited (CDSL) for dematerialization facility. As on 31st March, 2014, 87.93% of the Company's Equity shares are in dematerialized form. The ISIN NO. / Code for the Company's Equity Shares is INE650C01010. Shareholders can open an account with any of the depository participants registered with any of these depositories.

N. Address for Correspondence

Diligent Industries Limited
Denduluru Village and Mandal,
West Godavari – 534 432
Andhra Pradesh

For and on behalf of the Board

Place: Denduluru
Date : 13.08.2014

Sd/-
Bhanu Prakash Vankineni
Chairman

MANAGING DIRECTOR'S AND FINANCE MANAGER'S CERTIFICATION

We have reviewed the financial statements read with the cash flow statement of Diligent Industries Limited for the year ended March 31st, 2014 and that to the best of our knowledge and belief, we state that;

- a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading.
- (ii) These statements present true and fair view of the company's affairs and are in compliance with current Accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or in violation of the company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluating the effectiveness of internal control systems of the Company and have disclosed to the Auditors and Audit Committee deficiencies in the design or operation of internal control, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and Audit Committee :
- (i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements and
- (ii) There are no instances of fraud involving the management or an employee.

Place : Hyderabad
Date : 30.05.2014

Sd/-
Sr. Mgr. Finance

Sd/-
Managing Director

Declaration by the Managing Director

I, Vankineni Bhanu Prakash, Managing Director, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the year 2013-2014.

Place : Denduluru
Date : 13.08.2014

Sd/-
Vankineni Bhanu Prakash
Managing Director

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,

The Member's of Diligent Industries Ltd.,

We have examined the compliance of Corporate Governance by Diligent Industries Ltd., (the "company") for the financial year ended on 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said company with the concerned Stock Exchange.

The Compliance of condition of corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof, adopted by the company for ensuring compliance with the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

In our opinion and to the best of our information and to the explanation given to us and based on the representations made by the Directors and the Management we certify has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the efficiency or effective with which the management the affairs of the company

For Ramasamy Koteswara Rao & Co.
Chartered Accountants
Firm Reg No 010396S

Place : Hyderabad
Date : 13.08.2014

Sd/-
(C V Koteswara Rao)
Partner
M.No.028353

INDEPENDENT AUDITOR'S REPORT

To the Members,
Diligent Industries Limited
Report on the Financial Statements

We have audited the accompanying financial statements of **Diligent Industries Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash flow statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 15/2013 issued by the Ministry of Corporate Affairs.. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of Balance Sheet, of the state affairs of the Company as at March 31, 2014
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the Directors, taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.
 - f. Since the central Government has not issued any notification as to the rate at which cess is to be paid under section 441A of companies act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

For **RamasamyKoteswara Rao & Co,**
Chartered Accountants
Firm Regn No: 010396S

Place : Hyderabad
Date : 30.05.2014

Sd/-
(C V Koteswara Rao)
Partner
Membership No.028353

Annexure to the Auditors' Report (referred to in paragraph 1 of our Report of even date to the Members of Diligent Industries Limited for the year ended March 31, 2014)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanation given to us, the company has not disposed of any fixed Assets during the year.
- (ii) (a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventories as compared to book records.
- (iii) (a) According to the information and explanations given to us, the company didn't grant any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, requirements of clauses (iii-b), (iii-c), (iii-d), of paragraph 4 of the order are not applicable.
- (e) According to the information and explanations given to us, the company has taken loans from two parties covered in the register maintained under section 301 of the Companies Act 1956. The Maximum amount involved during the year is Rs. 3,56,66,826/-.
- (f) In our opinion, the rate of interest and other terms and conditions on which the loan has been taken from parties covered in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company
- (g) In our opinion and according to the information and explanations given to us there is no stipulation as to the repayment of the principle amount. Hence, we have not commented on whether the company is regular in repayment of principle amount in respect of the said loan.
- (iv) On the basis of checks carried out during the course of the audit and as per the explanations given to us, we are of the opinion that there are adequate internal control systems commensurate with the size of the company and the nature of its business, with regard to payment of expenses. During the course of audit no major weaknesses in the internal controls are noticed.
- (v) According to the information and explanations given to us, we are of the opinion that the transactions which are required to be entered in the register maintained under section 301 of the Companies Act. 1956 have been so entered.
- (vi) In our opinion and according to the explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A and 58AA of the Companies Act and Companies (Acceptance of Deposits) Rules, 1975. Therefore, the provisions of the clause 4(vi) of the Order are not applicable to the Company.
- (vii) In our opinion and as per information and explanations given to us, the company has an internal audit system commensurate with its size and nature of its business.

DILIGENT INDUSTRIES LIMITED

- (viii) We have reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under Section 209(1)(d) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (ix) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including income-tax, cess and other statutory dues with the appropriate authorities.
(b) According to the information and explanation given to us, there are no dues of income-tax, wealth- tax, sales-tax and cess which have not been deposited on account of any dispute.
- (x) The company has accumulated losses as at the end of the financial year and which are less than fifty percent of its net worth and it has not incurred any cash losses during the current financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the company.
- (xiv) According to the information given to us, the company is not dealing in or trading in shares, securities, debentures and other instruments, accordingly the provisions of clause 4 (xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, no term loans were raised during the year.
- (xvii) According to the information and explanation given to us, and on an overall examination of the balance sheet, we report that no funds raised on short term basis have been used for long term investment by the company.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The company has not issued any debentures during the year. Accordingly, no securities have been created.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **RamasamyKoteswara Rao & Co,**
Chartered Accountants
Firm Regn No: 010396S

Place: Hyderabad
Date: 30-05-2014.

Sd/-
(C V Koteswara Rao)
Partner
Membership No.028353

BALANCE SHEET AS AT 31st March 2014			
Particulars	Note No.	As at CY 31.03.2014	As at PY 31.03.2013
EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	114,360,000	114,360,000
(b) Reserves and Surplus	3	(9,934,052)	(10,141,984)
(2) Non-current liabilities			
(a) Long-term borrowings	4	35,666,826	20,754,933
(b) Deferred Tax Liabilities (Net)			
(3) Current liabilities			
(a) Short-term borrowings	5	112,966,669	109,697,778
(b) Trade payables	6	84,967,215	59,108,880
(c) Other current liabilities	7	2,094,631	2,974,962
(d) Short-term provisions	8	716,968	1,186,064
Total		<u>340,838,257</u>	<u>297,940,633</u>
ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	92,122,548	96,485,506
(b) Deferred tax assets (net)		3,552,275	377,350
(c) Long-term loans and advances	10	1,339,992	1,343,564
INVESTMENTS		2,710,296	2,710,296
(2) Current assets			
(a) Inventories	11	81,932,046	63,479,284
(b) Trade receivables	12	139,313,181	101,746,231
(c) Cash and Bank Balance	13	2,611,014	4,313,268
(d) Short-term loans and advances	14	6,191,313	13,776,516
(e) Other current assets	15	11,065,593	13,708,618
Total		<u>340,838,257</u>	<u>297,940,633</u>
See accompanying notes to the financial statements			

As per Report of even date attached

For Ramasamy Koteswara Rao & Co.,
Chartered Accountants
FRN : 010396S

Sd/-
C V Koteswara Rao
Partner
M NO : 028353

Place : Hyderabad
Date : May 30, 2014

For and on behalf of Board of Directors

Sd/-
V Bhanu Prakash
Managing Director

Sd/-
V P Anupama
Director

DILIGENT INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2014			
Description	Note No.	For the period ended 31.03.2014	For the period ended 31.03.2013
(I) Revenue from operations(gross)	16	407,084,911	477,336,933
Less: Excise Duty			
Revenue from operations(Net)		407,084,911	477,336,933
(II) Other income	17	3,754,592	5,608,884
(III) Total revenue		410,839,503	482,945,817
(IV) Expenses			
(i) Cost of materials consumed	18	390,149,184	442,945,857
(ii) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	(17,898,996)	(7,834,030)
(iii) Employee benefits expense	20	6,353,899	7,331,620
(iv) Finance cost	21	18,667,382	15,928,454
(v) Depreciation and Amortisation expense	9	5,151,627	4,732,748
(vi) Other expenses	22	13,563,399	16,025,061
Total expenses		415,986,495	479,129,710
(V) Profit before exceptional and extraordinary items and tax (III-IV)		(5,146,992)	3,816,107
(VI) Exceptional items		Nil	Nil
(VII) Profit before extraordinary items and tax (V - VI)		(5,146,992)	3,816,107
(VIII) Extraordinary items		Nil	Nil
(IX) Profit before tax (VII- VIII)		(5,146,992)	3,816,107
(X) Tax expense			
(i) Current tax		-	1,064,515
(ii) Deferred tax		(3,174,925)	869,912
(XI) Profit (Loss) for the period from continuing operations (VII-VIII)		(1,972,068)	1,881,680
(XII) Profit/(loss) from discontinuing operations		-	-
(XIII) Tax expense of discontinuing operations		-	-
(XIV) Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		(1,972,068)	1,881,680
(XV) Profit (Loss) for the period (XI + XIV)		(1,972,068)	1,881,680
(XVI) Earnings per equity share:			
(i) Basic		(0.17)	0.16
(ii) Diluted		(0.17)	0.16

See accompanying notes to the financial statements

As per Report of even date attached

For Ramasamy Koteswara Rao & Co.,

Chartered Accountants

FRN : 010396S

Sd/-

C V Koteswara Rao

Partner

M NO : 028353

Place : Hyderabad

Date : May 30, 2014

For and on behalf of Board of Directors

Sd/-
V Bhanu Prakash
Managing Director

Sd/-
V P Anupama
Director

DILIGENT INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31STMARCH,2014:				
PARTICULARS	31.03.2014			
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit / (Loss) before tax & adjustments		(5,146,992)		3,816,107
Adjustments for :				
Depreciation	5,151,627		4,732,748	
Amalgamation Expenses	3,234,300		-	
Transfer from Reserves	(1,468,599)			
		6,917,328		4,732,748
Operating Profit before Working Capital Change		1,770,335		8,548,855
Adjustments for :				
(Increase) or Decrease in Inventories	(18,452,762)		(12,499,308)	
(Increase) or Decrease in Trade & Other Receivables	(37,566,952)		(45,509,685)	
(Increase) or Decrease in Short term Loans and Advances	7,585,203		(7,461,516)	
(Increase) or Decrease in Long term Loans and Advances	3,572		(124,275)	
(Increase) or Decrease Loans & Advance and other current assets	2,643,025		(1,714,342)	
Increase or (Decrease) Current Liabilities	24,508,908		34,164,951	
		(21,279,005)		(33,144,175)
Cash flow Before Tax and Extra Ordinary Items		(19,508,670)		(24,595,320)
Add: Prior Period Item (Bonus)				
Net Cash flow from Operations before tax				
Less: Taxes Paid				(992,723)
MAT				-
Cash Flow from Operating Activities		(19,508,670)		(25,588,043)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Fixed Assets Purchased	(374,368)		(187,470)	
Net Cash used for Investing activities		(374,368)		(187,470)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings Increase/Decrease	18,180,784		16,641,623	
Net Cash used for Financing Activities		18,180,784		16,641,623
Net increase in Cash & Cash Equivalents		(1,702,255)		(9,133,890)
Cash & Cash equivalents at the beginning of the year		4,313,268		13,447,158
Cash & Cash equivalents at the end of the year(31.03.2014)		2,611,013		4,313,268

As per Report of even date attached

For Ramasamy Koteswara Rao & Co.,
Chartered Accountants
FRN : 010396S

For and on behalf of Board of Directors

Sd/-
C V Koteswara Rao
Partner
M NO : 028353

Sd/-
V Bhanu Prakash
Managing Director

Sd/-
V P Anupama
Director

Place : Hyderabad
Date : May 30, 2014

DILIGENT INDUSTRIES LIMITED

Notes on Financial Statements

2. SHARE CAPITAL**(A) Authorised, Issued, subscribed and paid up capital**

Particulars	CY	PY
(a) Authorised Capital 1,20,00,000 equity shares of Rs.10 each	120000000	30000000
(b) Issued, Subscribed and Fully paid up capital 1,14,36,000 equity shares of Rs.10 each	114,360,000	114,360,000

(B) Reconciliation of the number of shares outstanding

Particulars	CY	PY
(a) Opening balance	11,436,000	4,000,000
(b) Issued during the period	Nil	7,436,000
(c) Cancelled during the period		
(d) Closing balance	11,436,000	11,436,000

(C) Shareholders' holding more than 5 percent equity shares

Particulars	CY		PY	
	No.of shares	% of holding	No.of shares	% of holding
1 Vankineni Bhanu Prakash	4,284,800	37.47%	4,284,800	37.47%
2 Vankineni Ratna Kumari	1,261,000	11.03%	1,261,000	11.03%
3 Paturi Srinivasa Rao	900,000	7.87%	900,000	7.87%

3. RESERVES AND SURPLUS

Particulars	CY	PY
(A) Surplus (In statement of Profit and Loss)		
Opening balance	(13,777,851)	(15,730,591)
Additions during the period	(1,972,068)	1,952,740
Total	(15,749,919)	(13,777,851)
(B) Capital Reserve		
Opening balance	3,635,867	3,635,867
Additions during the period	2,180,000	-
Closing balance	5,815,867	3,635,867
Total	(9,934,052)	(10,141,984)

DILIGENT INDUSTRIES LIMITED

4. LONG-TERM BORROWINGS

(A) Term loans

Particulars	CY	PY
From Bank		
Indian Bank Term loan A/c.-736839982	-	2,026,086
Indian Bank Term loan A/c.-736843592	-	2,976,714
Total	-	5,002,800

(B) Loans and Advances From Related Parties

Particulars	CY	PY
Unsecured, considered good	35,666,826	15,752,133
Total	35,666,826	15,752,133

Related Party Transaction

Particulars	CY	PY
Loans from directors		
Rate		
Nature		
V.Bhanu Prakash loan	32,188,619	12,687,633
15%		
Repayable on Demand		
V.Phani Anupama loan	3,478,207	3,064,500
15%		
Repayable on Demand		
Total	35,666,826	15,752,133

5. SHORT-TERM BORROWINGS

(A) Loans repayable on demand

Particulars	CY	PY
From Bank		
Indian Bank Cash Credit	100,311,022	72,317,778
sanctioned		
Bank name		
Interest %		
Margin		
security		
11 Crores		
Indian Bank Eluru branch		
12.50%		
25%		
primary-stocks , book debts.		
Indian Bank (Adhoc) A/c - 6176841315	12,655,647	30,000,000
sanctioned		
Bank name		
security		
2 Crores		
Indian Bank Eluru branch		
Nil		
Indian Bank Term loan A/c.-736839982	-	2,460,000
Indian Bank Term loan A/c.-736843592	-	4,920,000
Total	112,966,669	109,697,778

6. TRADE PAYABLES

Particulars	CY	PY
Sundry creditors	84,967,215	59,072,908
Others	-	35,972
Total	84,967,215	59,108,880

7. OTHER CURRENT LIABILITIES

Other Payables

Particulars	CY	PY
Creditors for expenses	1,967,159	2,892,490
Audit Fee Payable	127,472	82,472
Total	2,094,631	2,974,962

8. SHORT-TERM PROVISIONS

Particulars	CY	PY
(a) Professional tax payable	6,260	2,250
Vat Payable	-	149,531
Provident Fund payable	23,945	24,852
TDS payable	596,856	350,442
Provision for Current Tax	-	595,731
AMC Payable	89,907	63,258
Total	716,968	1,186,064

DILIGENT INDUSTRIES LIMITED

PARTICULARS	Rate of Depreciation	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at	Additions	Deletions	As at	Upto	Deletions	Upto	WDV as at	WDV as at
		01.04.13	During the period	During the period	31.03.2014	31.03.13	During the period	31.03.2014	31.03.2014	31.03.2013
Land	0.00%	15,400,000	-	-	15,400,000	-	-	-	15,400,000	15,400,000
Building	3.34%	59,300,000	1,980,620	-	59,300,000	1,980,620	3,961,240	3,961,240	55,338,760	57,319,380
Plant and Equipment	10.34%	21,434,583	13,523	13,523	21,448,106	2,215,025	4,431,361	4,431,361	17,016,745	19,219,558
Boiler	10.34%	1,832,160	189,445	-	1,832,160	189,445	378,891	378,891	1,453,269	1,642,715
Electrical Filtrings	10.34%	406,920	42,076	-	406,920	42,076	84,151	84,151	322,769	364,844
Lab Equipments	10.34%	75,592	7,816	-	75,592	7,816	15,632	15,632	59,960	67,776
Generator	10.34%	1,186,221	257,625	-	1,443,846	135,938	258,593	258,593	1,185,253	1,063,566
Air Conditioner	10.34%	113,551	11,741	-	113,551	11,741	23,482	23,482	90,069	101,810
Cash Counting Machine	10.34%	4,694	485	-	4,694	485	971	971	3,723	4,209
EPABX System	10.34%	2,979	308	-	2,979	308	616	616	2,363	2,671
Welding machine	10.34%	1,728	179	-	1,728	179	357	357	1,371	1,549
Wooden Conveyor	10.34%	106,882	11,062	-	106,882	11,062	22,103	22,103	84,779	95,830
E.T.P. Tank	10.34%	701,509	72,536	-	701,509	72,536	145,072	145,072	556,437	628,973
Gunny Bags Blower	10.34%	24,000	231	-	24,000	231	231	231	23,769	-
Euro Clean	6.33%	5,494	588	-	5,494	588	916	916	4,578	4,926
Furniture & Fixtures	9.50%	305,842	29,183	-	318,062	29,183	58,238	58,238	259,824	276,659
Hero Hond Motor Cycle	9.50%	30,127	2,862	-	30,127	2,862	5,724	5,724	24,403	27,265
Suzuki Motor Cycle	9.50%	72,200	5,130	-	72,200	6,859	11,989	11,989	60,211	67,070
Suzuki Scooter	9.50%	61,320	2,236	-	61,320	5,925	8,062	8,062	53,258	59,084
Lorry	11.31%	93,014	10,520	-	93,014	10,520	21,040	21,040	71,974	82,494
Computer & Others	16.21%	65,793	10,665	-	65,793	10,665	21,330	21,330	44,463	55,128
Water Tanker	10.34%	-	67,000	-	67,000	2,429	2,429	2,429	64,571	-
Amortisation										
Amalgamation expenses			3,234,300			3,234,300				
Subsidy Received			(2,820,000)			(2,820,000)				
TOTAL		101,200,609	788,668	-	101,574,977	4,715,103	9,452,429	9,452,429	92,122,548	96,485,506

10. LONG-TERM LOANS AND ADVANCES**(A) Other loans and advances**

Particulars	CY	PY
Long term Deposits		
(a) Electricity Deposit	1,187,100	1,187,100
(b) Gram Panchayat Deposit	87,656	87,656
(c) Indian bank Deposit	62,486	66,058
(d) Telephone Deposit	2,750	2,750
Total	1,339,992	1,343,564

11. INVENTORIES

Particulars	CY	PY
(a) Raw materials	18,203,259	18,880,957
(b) Work-in-progress	-	-
(c) Finished goods	57,821,048	39,922,052
(d) Stock-in-Trade	-	965,966
(e) Stores and Spares	5,907,739	6,420,605
Total	81,932,046	66,189,580

12. TRADE RECEIVABLES

Particulars	CY	PY
Unsecured, considered good	135,206,978	97,640,028
Outstanding for period exceeding six months from the due date	4,106,203	4,106,203
Total	139,313,181	101,746,231

13. CASH AND BANK BALANCE

Particulars	CY	PY
(a) Balance with banks	163,070	291,940
(B) Cash on hand	2,447,944	4,021,328
Total	2,611,014	4,313,268

14. SHORT-TERM LOANS AND ADVANCES**(A) Others**

Particulars	CY	PY
Advances to Creditors	6,191,313	13,776,516
Total	6,191,313	13,776,516

15. OTHER CURRENT ASSETS

Particulars	CY	PY
MAT Credit Entitlement	506,728	506,728
T.D.S Receivable	76,551	59,390
Prepaid Expenses	431,408	334,530
VAT Credit Receivable	321,276	-
Power & Sales Tax subsidy receivable	3,879,755	6,958,095
Deposits:		
BGSE(BSE) Capital Adequacy	250,000	250,000
BGSE Membership Card	4,499,875	4,499,875
Office Lease and Advance	1,100,000	1,100,000
Total	11,065,593	13,708,618

16. REVENUE FROM OPERATIONS

Particulars	CY	PY
(a) Sale of products	407,084,911	477,336,933
Total	407,084,911	477,336,933

17. OTHER INCOME

Particulars	CY	PY
(a) Interest Income	117,749	170,722
(d) Other Non-operating income		
INCOME		
(i) Processing Charges Received	3,307,243	2,389,830
(ii) Rent Received	96,000	96,000
(iii) Profit on sale of Fixed Assets	-	2,304
(iv) Misc Income	149,600	361,867
(v) Subsidies	-	2,451,225
(vi) Brokerage Income	62,000	93,120
(vii) Dividend	22,000	43,816
Total	3,754,592	5,608,884

18. COST OF MATERIALS CONSUMED

Particulars	CY	PY
(a) Material consumption	385905188	438645713
(b) Consumption of stores and spares parts	4,243,996	4,300,144
Total	390,149,184	442,945,857

19. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Particulars	CY	PY
(a) Finished goods		
(i) opening	39,922,052	32,088,022
(ii) closing	57,821,048	39,922,052
Total	17,898,996	7,834,030

20. EMPLOYEE BENEFITS EXPENSE

Particulars	CY	PY
(a) Salaries and Allowances	3,651,450	4,278,088
(b) Contribution to P.F	178,340	156,326
(c) Staff Welfare Expenses	19,109	17,206
(d) Directors Remuneration	2,505,000	2,880,000
Total	6,353,899	7,331,620

21. FINANCE COST

Particulars	CY	PY
(a) Interest	18,454,380	15,513,454
(b) Other Borrowing cost	213,002	415,000
Total	18,667,382	15,928,454

22. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	CY	PY
Depreciation Expenses	5,583,489	6,429,556
Total	5,583,489	6,429,556

23. OTHER EXPENSES

Particulars	CY	PY
Production Expenses	911,968	881,842
Power and fuel	6,651,002	7,544,960
Rent	-	108,000
Repairs to Internal Roads	-	720
Repairs	15,902	174,682
Bank Charges	-	14,586
Commissions	596,526	869,071
Office Maintenance	574,770	152,091
Stock Audit fee	11,000	12,472
Cost Audit Certification fee	15,000	10,000
Payment to Auditor :		
As Audit fee	50,000	50,000
Vehicle Maintenance	281,458	395,687
Discounts	1,579,947	3,194,967
Fee & Inspection charges	68,185	161,550
Freight Charges	386,591	777,182
Packing Material	90,376	82,063
Preliminary Expenses written off	-	56,597
Printing & Stationery	38,879	78,086
Telephone Charges	136,650	142,198
Transport Charges	13,938	7,621
Travelling Expenses	35,432	7,350
Insurance	452,186	398,174
Rates and Taxes	40,635	45,009
R.O.C.Filig Fee	-	17,500
Rating Charges	31,461	31,461
Mis. Expenses	162,153	120,993
BGSE Cub Charges	13,488	7,868
Professional Charges	-	49,000
Dmat RTA Expenses	-	55,056
Sitting Fee	107,500	75,000
Stock Exchange Exp.	562,753	
Accounting Charges	-	24,000
Other Expenses	649,146	-
Income Tax	86,453	479,275
Total	13,563,399	16,025,061

NOTE 1: Notes to Financial Statements for the Year ended 31.03.2014

Corporate INFORMATION

Diligent Industries Limited is a public company engaged primarily in the business of processing of Oil seeds and refining of Bran Oil and Coconut oil.

SIGNIFICANT ACCOUNTING POLICIES

I. Basis of preparation of Financial Statements:

These financial statements have been prepared on an accrual basis and under historical cost Convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of the companies(Accounting Standards)Rules, 2006 as amended and other relevant provisions of the Companies Act, 1956.

II. Revenue Recognition:

Sale of Goods

Sales are recognized at the point of dispatch of goods when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are net of returns.

Other Income

Interest and Other income are recognized on accrual basis and on time proportion basis.

III. Use of Estimates:

The preparation of accounting of financial statements in conformity with generally accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

IV. Fixed Assets:

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price, including duties and other non-refundable taxes or levies any directly attributable cost of bringing the asset to its working condition and indirect costs specifically attributable to a fixed asset. Assets retired from active use are carried at lower of book value and estimated net realizable value.

V. Method of depreciation:

As per the accounting standard – 6, Depreciation on Fixed Assets, is provided on the “Straightline Method” (S.L.M) at the rates specified in the Schedule XIV to the companies Act, 1956 from time to time.

VI. Taxes on Income:

Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current Taxes made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.

Minimum Alternative Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during the specified period.

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax Assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

VII. Provisions and Contingent Liabilities:

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

VIII. Related Party transactions:

List of Related parties:

a) Key Management Personnel (Directors)

S.no	Name	Relation
1.	Bhanu Prakash Vankineni	Managing Director
2.	PhaniAnupamaVankineni	Executive Director
3.	KirankumarVankineni	Executive Director

b) Transactions with above Related Parties:

Name of the Transacting related party	Relationship Between the Parties	Interest Rate	Nature of Transaction	Volume of Transactions during the year	Amount outstanding as on 31.03.2014
V.Bhanu Prakash	Managing Director	Not Applicable	Managerial Remuneration	20,25,000	Not Applicable
KirankumarVankineni	Executive Director	Not Applicable	Managerial Remuneration	4,80,000	Not Applicable
V.Bhanu Prakash	Managing Director	15%	Unsecured Loans taken	1,95,00,986	3,21,88,619
PhaniAnupama	Executive Director	15%	Unsecured Loans taken	4,13,707	34,78,207
V.Bhanu Prakash	Managing Director	Not Applicable	Interest Paid on Unsecured Loans	28,89,985	Not Applicable
PhaniAnupama	Executive Director	Not Applicable	Interest Paid on Unsecured Loans	4,59,675	Not Applicable
Total				2,57,69,353	3,56,66,826

IX . Audit Fee:

Particulars	FY 13 -14	FY 12 -13
Audit fee	50,000	50,000

X. Earnings per Share:

Particulars	2013-14	2012-13
i) Profit After Tax	(1972068)	1881680
Less: Preference Dividend Including Tax Thereon	-	-
Profit attributable to equity shareholders	(1972068)	1881680
ii) Weighted average number of equity shares	1,14,36,000	1,14,36,000
Basic Earnings per Share	(0.17)	0.16
Diluted Earnings per Share	(0.17)	0.16

XI. Contingent Liabilities and Commitments:

Contingent Liabilities: Nil

XII. Materials and goods:

Quantity Details:-

Particulars	Op.Stock (Tonnes)	Purchase (Tonnes)	Total (Tonnes)	Consumption (Tonnes)	Sales (Tonnes)	Cl.stock (Tonnes)
Brawn	894.136	9140.571	10034.707	9271.124	-	763.583
D.O.R.B.	215.792	0.000	215.792	-	7772.340	102.000
E.R.B.Oil	705.330	0.000	705.330	-	1895.120	1131.945
Coconut Oil Cake	-	352.270	352.270	352.270	-	-
Coconut Oil	-	-	-	-	60.020	10.400
D.O.Coconut cake	-	-	-	-	34.390	247.460
Total	1815.258	9492.841	11308.099	9623.394	9761.870	2255.388
	Lts.	Lts.	Lts.	Lts.	Lts.	Lts.
Hexane	70252	56000	126252	71956	-	54296
	MT.	MT.	MT.	MT.	MT.	MT.
Husk	1652.000	990.687	2642.687	96.687	-	2546.000
	MT.	MT.	MT.	MT.	MT.	MT.
Coal	654.000	540.570	1194.570	868.570	-	326.000
	Qtls.	Qtls.	Qtls.	Qtls.	Qtls.	Qtls.
Maize Pur. & Sale	-	170462.150	170462.150	-	170462.150	0.000

XIII. Amalgamation:

- Aditya Agro Allied Oils Limited was merged with Diligent Industries Limited w.e.f 14-11-2013(Appointed date for merger was 01-04-2012).
- Nature of business of amalgamating companies: Upon merger the operations of companies includes manufacturing, processing, trading, extracting, and dealing in all types of edible oils, cakes, oil seeds and cultivation of oil seeds.
- The amalgamation of Diligent Industries Limited with Aditya Agro Allied Oils Limited is in the nature of Purchase
- The method of accounting for amalgamation adopted is in the nature of Purchase method
- The Purchase consideration received by the share holders of Aditya Agro Allied Oils Limited is in the form of Equity Shares of Diligent Industries Limited.
- The No. of Shares issued by Diligent Industries Limited to the shareholders of Aditya Agro Allied Oils Limited is 74,36,000shares and the total amounting to 7,43,60,000 against Net assets of Rs.7,79,95,867 and the difference of Rs 36,35,867 is transferred to capital Reserve.

XIV. Other Disclosures:

The Previous Year figures have been regrouped and recast wherever necessary to bring them inline with current Year figures

XV. General Notes to Financial Statements:

Statement of Profit and Loss Account for the year has been prepared showing separately as per Schedule VI (Revised)

As per our report of even date attached

For RAMASAMY KOTESWARA RAO & CO.,
Chartered Accountants
FRNo: 010396S

Sd/-
(C V Koteswara Rao)
Partner
M.No. 028353

Place: Hyderabad
Date: 30-05-2014 .

For and on behalf of the Board

Sd/-
V Bhanu Prakash
Director

Sd/-
V P Anupama
Director

Diligent Industries Limited

CIN : L15490AP1995PLC088116

Registered Office : Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari

fi E-mail :diligentinvestors@gmail.com fi Website : ww.diligentindustries.com

20th ANNUAL GENERAL MEETING

ADMISSION SLIP

DATE

Tuesday, 30th September, 2014

VENUE

Dwarka Thirumala Road,
Denduluru Village & Mandal

TIME

3.00 P.M.

I certify that I am a Member / Proxy for the Member holding _____ shares.

Please () in the box

Member

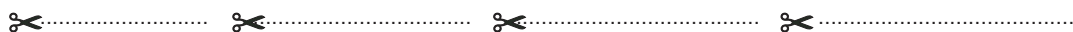
Proxy

Name of the Proxy in Block Letters
attending

Signature of Member / Proxy

NOTES : i) Member / Proxy attending the Annual General Meeting (AGM) must bring his / her Admission Slip which should be signed and deposited before entry into the venue .

ii) Duplicate Admission Slip will not be issued at the venue.



ELECTRONIC VOTING

Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 20th AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please see Note (12) to the Notice dated 14th August, 2014, convening the AGM for the procedure with respect to e-voting.

Diligent Industries Limited
CIN : L15490AP1995PLC088116
Registered Office : Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari
E-mail :diligentinvestors@gmail.com Website :
www.diligentindustries.com

20th ANNUAL GENERAL MEETING

PROXY FORM

Serial No. :

1. Name(s) of Member(s) :
including joint holders, if any
2. Registered :
address of the
sole / first named
Member
3. E-mail ID :
4. DP ID No. & :
Client ID No. / :

I / We, being the Member(s) of _____ shares of **Diligent Industries Limited**, hereby appoint

(1) Name : _____ Address : _____

E-mail ID : _____ Signature : _____ r failing him

(2) Name : _____ Address : _____

E-mail ID : _____ Signature : _____, or
failing him _____

(3) Name : _____ Address : _____

E-mail ID : _____ Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 20th Annual General Meeting (AGM) of the Company to be held on Tuesday, the 30th day of September, 2014 at 3.00 p.m. Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional ()	
		For	Against
Ordinary Business			
1	Adoption of Accounts for the financial year ended 31 st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2	Appointment of M/s. Ramasamy Koteswara Rao & Associates , Chartered Accountants, as Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix		
Special Business			
3	Regularization of Mr. Bhanu Prakash Vankineni as Director of the Company.		
4	Regularization of Mrs. Phani Anupama Vankineni as Director of the Company.		
5	Regularization of Mr. Kiran Kumar Vankineni as Director of the Company.		
6	Appointment of Mr. K.Vishweswar Rao as an Independent Director for a period of five years with effect from the date of this AGM.		
7	Appointment of Mr. V.V.Vinod Kumar as an Independent Director for a period of five years with effect from the date of this AGM.		
8	Appointment of Mr. Srinivas Babu Edupuganti as an Independent Director for a period of five years with effect from the date of this AGM.		
9	Re-appointment of Mr.Bhanu Prakash Vankineni as Managing Director of the Company.		
10	Re-appointment of Mr.Kiran Kumar Vankineni as Executive Director of the Company.		

Signed this _____ day of _____ 2014. _____

Affix
Revenue
Stamp

Signature of the Share Holder: _____ Signature of Proxy Holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

If undelivered please return to:

DILIGENT INDUSTRIES LIMITED

Regd. Office: Dwarka Thirumala Road,
Denduluru Village and Mandal,
West Godavari – 534 432

FORM A

1.	Name of the Company:	DILIGENT INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31 ST MARCH, 2014
3.	Type of Audit observation	UN-QUALIFIED
4.	Frequency of observation	NOT APPLICABLE
5.	Bhanu Prakash Vankineni <input type="checkbox"/> Managing Director	<i>V.B. Prakash</i>
	<input type="checkbox"/> CFO	<i>S.P.R.</i>
	C V Koteswara Rao <input type="checkbox"/> Auditor of the company	<i>[Signature]</i>
	Ch.D.V.V. Prasad Rao <input type="checkbox"/> Audit Committee Chairman	<i>[Signature]</i>