

**24th
ANNUAL REPORT
2017-2018**

DILIGENT INDUSTRIES LIMITED

COMPANY INFORMATION**Board of Directors**

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

Board Committees**Audit Committee**

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

Nomination & Remuneration Committee

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

Auditors

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

Stakeholders Relationship Committee

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

Secretarial Auditors

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

Registrars & Share Transfer Agent

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

Registered Office

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

Bankers

Indian Bank
R.R Pet, Eluru,
Andhra Pradesh

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of Diligent Industries Limited will be held on **Saturday the 29th day of September, 2018 at 03.00 PM** at Registered Office of the Company at Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari District – 534 432, A.P, to transact the following business:

ORDINARY BUSINESS:**ITEM NO. 1 - Adoption of Audited Standalone Financial Statements**

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and the Auditors thereon.

ITEM NO. 2-Appointment of a Director

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

By order of the Board of Directors
For DILIGENT INDUSTRIES LIMITED

Place: Denduluru
Date: 14.08.2018

Sd/-
Bhanu Prakash Vankineni
Managing Director
DIN: 00919910

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
- 2 The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the special business is annexed herewith.
- 3 Proxy forms in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting.
- 3 The Share Transfer Register and the Register of Members of the Company will remain closed from **22-09-2018 to 29-09-2018** (both days inclusive).
- 4 M/s. Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad-500018 is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
- 5 Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
- 6 Members/Proxies are requested to bring their copies of the Annual Report to the AGM and the Attendance slip duly filled in for attending AGM. Copies of Annual Report will not be provided at the AGM.
- 7 Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agent enclosing their share certificates to enable consolidation of their shareholdings in one folio.

- 8 Members holding Shares in physical form may write to the Company/Registrar & Share Transfer Agents (RTA) for any change in their address and bank mandates; members having shares in electronic form may inform the same to their depository participants immediately.
- 9 As part of the “Green Initiative”, the Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participants unless the Members have registered their request for a hard copy of the same.
- 10 Process and manner for members opting for e-voting are as under:

The Company is offering e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with M/s Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically pursuant to Rule 20 of Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (i) The voting period begins on **26th September, 2018 at 9.00 AM and ends on 28th September, 2018 at 5.00 PM**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **22nd September, 2018**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on “Shareholders” tab.
- (iv) Now, select the “DILIGENT INDUSTRIES LIMITED” from the drop down menu and click on “SUBMIT”
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <DILIGENT INDUSTRIES LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

11. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
12. The Board of Directors has appointed Mrs. N.Vanitha, a Practicing Company Secretary as a Scrutinizer to process the e-voting and submit a report to the Chairman.
13. Compliance Officer of the Company will address all the grievances in relation to this annual general meeting including e-voting. His contact details are Email:diligentinvestors@gmail.com Phone Nos.040-23352185.
14. The members may download a copy of the notice of this meeting and the results declared along with the Scrutinizer’s Report from the website of the Company (www.diligentindustries.com) or from www.evotingindia.com.

By order of the Board of Directors
For DILIGENT INDUSTRIES LIMITED

Place: Denduluru
Date: 14.08.2018

Sd/-
Bhanu Prakash Vankineni
Managing Director
DIN: 00919910

ANNEXURE - A

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

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

Name of the Director	Mrs.Vankineni Phani Anupama
Date of Birth	05-02-1971
Date of Appointment	13-12-2013
Relationship with Directors	She is related to Mr.Vankineni Bhanu Prakash, Managing Director and Mr.Vankineni Kiran Kumar, Director
Expertise in specific functional area	She has been over looking administrative functions and also got good exposure in operational side over the period. Hailing from the science background she understood the geographical advantage she could get for the extraction of the rice bran oil industry in Eluru, and helped her husband in setting up of Solvent extraction plant with in no time at Eluru where there is abundant availability of raw material i.e. rice-bran for the industry. She has been striving hard towards growth and success of the company and has immensely contributed towards the growth of the company.
Qualification	M.Sc (Nutrition)
Board Membership of other companies as on 31 st March, 2017	NIL
Chairman/ Member of the Committee of the Board of Directors as on 31 st March, 2017	NIL
Chairman/Member of the Committee of Directors of other companies in which he is a director as on 31 st March, 2018	
a) Audit Committee	NIL
b) Stakeholders' Relationship Committee	Chairman
c) Nomination and Remuneration Committee	Member
Number of shares held in the Company as on 31 st March, 2018	7,38,400

DIRECTOR'S REPORT

To the Members,

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

Financial Results

(Rs. In Lakhs)

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

REVIEW OF OPERATIONS:

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

CHANGE IN NATURE OF BUSINESS:

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

DIVIDEND:

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

TRANSFER TO RESERVES:

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

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL:

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

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

FORMAL ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE AND OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

As required under the provisions of Schedule IV of the Companies Act, 2013 the performance evaluation of independent directors has been done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee.

INDEPENDENT DIRECTORS' DECLARATION:

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

STATUTORY AUDITORS:

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

SECRETARIAL AUDITORS:

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

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

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

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Management has set-up a system to monitor and evaluates the efficacy and adequacy of internal control system in the Company on regular basis, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the audit reports the units undertake corrective action in their respective areas and strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy, policy to determine material subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

NOMINATION AND REMUENRATION POLICY:

A committee of the Board named as “Nomination and Remuneration Committee” has been constituted to comply with the provisions of section 178, Schedule IV of the Companies Act and Clause 19 of the SEBI(LODR) Regulations, 2015 and to recommend a policy of the Company on directors’ appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and Evaluation of their performance and to recommend the same to the Board from time to time. Nomination and Remuneration Policy is hosted on the website of the Company www.diligentindustries.com.

RISK MANAGEMENT:

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company’s process and policies for determining risk tolerance and review management’s measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors’ confirm that:

- i) In preparation of annual accounts for the financial year ended 31st March, 2018 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 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 state of affairs of the Company at the end of the financial year ended 31st March, 2018 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 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors had prepared the annual accounts on a ‘going concern’ basis;
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure - II**.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the criteria laid down in the Companies Act, 2013, the provisions of Corporate Social Responsibility are not applicable to your Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO:

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as **Annexure – III**.

OTHER DISCLOSURES:**BOARD MEETINGS:**

During the year under review Five Board Meetings were held during the year under review. For further details, please refer report on Corporate Governance Report enclosed herewith.

COMMITTEES OF BOARD :

Your company has the following committees namely:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee

The constitution of all the committees is as per the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The details of the Constitution are mentioned in Corporate Governance Report, which forms part of this Annual Report.

CORPORATE GOVERNANCE:

The Report on Corporate Governance as stipulated in Regulation 34(3) of SEBI (LODR) Regulations, 2015 is attached hereto as a part of this report as **Annexure - VIII**

MANAGEMENT DISCUSSION AND ANALYSIS:

A brief note on the Management discussion and analysis for the year is annexed as **Annexure - VII**

VIGIL MECHANISM:

In pursuant to the provisions of section 117(9)(& (10) of the Companies Act , 2013 SEBI (LODR) Regulations, 2015 a Vigil Mechanism for directors and employees to report genuine concerns has been established. Protected disclosures can be made by a whistle blower through to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website.

REMUNERATION RATIO OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL/ EMPLOYEES:

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure – IV**.

PARTICULARS OF EMPLOYEES:

As required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, NO employee of your Company is in receipt of remuneration Rs. 1,02,00,000/- (Rupees One Crores Two Lakh) or more, or employed for part of the year and in receipt of Rs. 8,50,000/- (Rupees Eight Lakh Fifty Thousand) or more a month, during the financial year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of the Loans, guarantees and investments if any covered under Section 186 of the Companies Act, 2013 are given in the notes to the financial statements pertaining to the year under review.

SUBSIDIARIES:

The Company has no subsidiaries; statement pertaining to the same in AOC-1 is annexed herewith as **Annexure – V**.

DEPOSITS:

Your Company has not accepted any fixed deposits and as such no principal or interest was outstanding as on the date of the Balance sheet.

RELATED PARTY TRANSACTIONS:

Related party transactions entered during the financial year under review are disclosed in of the Financial Statements of the Company for the financial year ended 31st March, 2018. These transactions entered were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the note on the aforesaid related party transactions is enclosed herewith as **Annexure – VI**.

The policy on materiality of Related Party Transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.

HUMAN RESOURCES:

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- I. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- II. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- III. Neither the Managing Director nor the Whole-time Director of the Company receive any remuneration or commission from any of its subsidiaries.
- IV. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- V. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and date of report.
- VI. No frauds were reported by the auditors during the year under review.

ACKNOWLEDGEMENTS:

Your Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

Place: Denduluru

Date: 14.08.2018

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

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

**Sd/-
Mrs. Phani Anupama Vankineni
Director
DIN: 00935032**

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For The Financial Year Ended 31st March, 2018

To

The Members

Diligent Industries Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Diligent Industries Limited**, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

- i) The Companies Act, 2013 (the Act) (to the extent applicable) and the Rules made under that Act;
- ii) The Companies Act, 1956, and the Rules made under that Act (To the extent Applicable);
- iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) Securities and Exchange Board of India (Depositories and Participants) regulations, 1996;
- vi) Provisions of the following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company in the financial year under report:-
 - a) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - b) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- vii) The industry specific law(s) that are applicable to the Company are as follows:
 - a) National Oil Seeds and Vegetable Oils Development Board Act, 1983;
 - b) Food Safety and Standards Act, 2006.
 - c) Indian Boilers Act, 1923.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards SS-1 and SS-2 with respect to meetings of the board of directors and general meetings respectively issued and notified by The Institute of Company Secretaries of India which came into force w.e.f. 1st July, 2015 under the provisions of section 118(10) of the Act.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above, subject to the following observations;

- a) *The Company has not appointed Company Secretary even after expiry of 6 (Six) months from 15th May, 2016 (Mr D Sripathi ceased to be the Company Secretary w.e.f 15th May, 2016), as per the provisions of section 203 of the Act.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice was given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent and a system exists for seeking clarifications on the agenda items before the meeting and for meaningful participation at the meeting. During the year Mr.SubramaniamShanmugasundaram (DIN: 02271568) and Mr.Visweswara Rao Kothapalli (DIN: 02447465) have been ceased to be the directors of the company w.e.f 04/01/2018 due to their disqualification under the provisions of section 164(2) of the Act.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For P.S. Rao & Associates
Company Secretaries**

Place: Hyderabad

Date: 14.08.2018

**Sd/-
P.S.RAO
Company Secretary
ACS No: 9769
P No: 3829**

Note: This report is to be read with our letter of even date which is annexed as ‘**Annexure A**’ and forms an integral part of this report.

‘Annexure A’

To,
The Members,
Diligent Industries Limited
Eluru – 534 432

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For P.S. Rao & Associates
Company Secretaries**

**Place: Hyderabad
Date: 14.08.2018**

**Sd/-
P.S.RAO
Company Secretary
ACS No: 9769
P No: 3829**

ANNEXURE -II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31-03-2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L15490AP1995PLC088116
Registration Date	13/01/1995
Name of the Company	Diligent Industries Limited
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari - 534432. Tel:08829-256077/99 Fax:08829-256088 Email: diligentinvestors@gmail.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Venture Capital And Corporate Investments Pvt.Ltd.,12-10-167, Bharatnagar, Hyderabad-500018. Phone : 040 23818475/23818476/23868023 Fax : +91 040-23868024 Email:info@vccilindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the company

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Extraction Edible Oils and Trading in related goods	10402	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of sharesheld	Applicable Section
1.	GENESIS IBRC INDIA LIMITED	L24100AP1992PLC107068	Associate	23.08	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding *

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,40,27,000	0	1,40,27,000	61.33	1,40,27,000	0	1,40,27,000	61.33	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	1,40,27,000	0	1,40,27,000	61.33	1,40,27,000	0	1,40,27,000	61.33	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter									
(A) = (A)(1)+(A)(2)	1,40,27,000	0	1,40,27,000	61.33	1,40,27,000	0	1,40,27,000	61.33	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	221970	20400	242370	1.06	2,13,645	20,400	2,37,081	1.04	0.02
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto * 1 lakh/2 lakh	6,54,837	14,08,840	20,63,677	9.02	6,89,143	13,74,534	20,63,677	9.12	-0.10
ii) Individual shareholders holding nominal share capital in excess of * 1 lakh/ 2 lakh	64,77,039	0	64,77,039	28.32	65,21,213	0	64,77,039	28.51	-0.19
c) Others (NBFC Registered with RBI)	0	0	0	0	0	0	0	0.00	0.00
Clearing Members	61,914	0	61,914	0.27	3,959	0	3,959	0.02	0.25
Non Resident Indians	560	0	560	0.00	0	0	0	0	0.00
Sub-total (B)(2):-	74,15,760	14,29,240	88,45,000	38.67	74,27,960	14,17,040	88,45,000	38.67	0
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)	65,04,560	23,40,440	88,45,000	38.67	74,15,760	14,29,240	88,45,000	38.67	0.00
C. Shares held by Custodian for GDRs & ADRs									
	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	2,05,31,560	23,40,440	2,28,72,000	100.00	2,14,54,960	14,17,040	2,28,72,000	100.00	0.00

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vankineni Bhanu Prakash	85,69,600	37.47	85,69,600	85,69,600	37.47	0	—
2	Vankineni Phani Anupama	7,38,400	3.23	7,38,400	7,38,400	3.23	0	—
3	Vankineni RatnaKumari	25,22,000	11.03	25,22,000	25,22,000	11.03	0	—
4	Vankineni Kiran Kumar	8,45,000	3.69	8,45,000	8,45,000	3.69	0	—
5	Vankineni Vijayalakshmi	4,29,000	1.88	4,29,000	4,29,000	1.88	0	—
6	Vankineni Padma Kumari	78,000	0.34	78,000	78,000	0.34	0	—
7	Kalagara Savithri	8,45,000	3.69	8,45,000	8,45,000	3.69	0	—
	TOTAL	1,40,27,000	61.33	1,40,27,000	1,40,27,000	61.33	0	—

(iii) Change in Promoters' Shareholding: NO CHANGE

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name Of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Paturi Srinivasa Rao At the beginning of the year At the end of the year	18,00,000	7.87	18,00,000	7.87
2.	Garapati G Ram Chowdary At the beginning of the year At the end of the year	8,45,000	3.69	8,45,000	3.69
3.	A Brahmaji At the beginning of the year At the end of the year	8,154	0.035	3,95,154	1.73
4.	MALLIKARJUNA RAO YERRAPRAGADA		0	5,65,635	2.47
5.	Chintamaneni Naga Jyothi At the beginning of the year At the end of the year	4,97,800	2.18	4,97,800	2.18
6.	Parvataneni Satyanarayana At the beginning of the year At the end of the year	3,75,400	1.64	3,75,400	1.64
7.	T VenkataAppa Rao At the beginning of the year At the end of the year	3,39,506	1.48	3,39,506	1.48
8.	Sajja Rohit At the beginning of the year At the end of the year	2,50,000	1.09	2,50,000	1.09
9.	Sajja Vignatha At the beginning of the year At the end of the year	2,50,000	1.09	2,50,000	1.09
10.	Sajja Kishore Babu At the beginning of the year At the end of the year	2,14,000	0.94	2,14,000	0.94
11.	E Businessware India Pvt. Ltd. At the beginning of the year At the end of the year	2,03,000	0.89	2,03,000	0.89

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the director / key managerial personnel (KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Vankineni Bhanu Prakash At the beginning of the year At the end of the year	85,69,600	37.47	85,69,600	37.47
2	VankineniPhaniAnupama At the beginning of the year At the end of the year	7,38,400	3.23	7,38,400	3.23
3.	VANKINENI KIRAN KUMAR At the beginning of the year At the end of the year	8,45,000	3.69	8,45,000	3.69

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,26,09,299	7,00,41,637	—	20,26,50,936
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	13,26,09,299	7,00,41,637		20,26,50,936
Change in Indebtedness during the financial year				
• Addition	—	4,76,33,246	—	8,30,80,938
• Reduction	13,07,14,184	—	—	—
Net Change	13,07,14,184	11,76,74,883		8,30,80,938
Indebtedness at the end of the financial year				
i) Principal Amount	18,95,115		—	11,95,69,998
ii) Interest due but not paid		11,76,74,883	—	—
iii) Interest accrued but not due				
Total (i+ii+iii)	18,95,115	11,76,74,883		11,95,69,998

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

S.No.	Particulars of Remuneration	Managing Director	Executive Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17 (2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not paid during the year	Rs.4,80,000 — —	Rs.4,80,000 — —
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission - as % of profit - others, specify...	—	—	—
5.	Others, please specify	—	—	—
	Total (A)	—	Rs.4,80,000	Rs.4,80,000
	Ceiling as per the Act	Rs.42,00,000	Rs.42,00,000	Rs.84,00,000

B. Remuneration to other directors:

(Amount in Rs.)

S.No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	<i>Independent Directors</i> • <i>Fee for attending board / committee meetings</i> • <i>Commission</i> • <i>Others, please specify</i>	—	—
2.	<i>Total (1)</i>		
	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	—	—
	Total (2)	—	—
	Total (B)=(1+2)		—
	Total Managerial Remuneration		—
	Overall Ceiling as per the Act	Rs.1,00,000/- per Board Meeting	

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Amount in Rs.)

S.No.	Particulars of Remuneration	VankineniKiran Kumar (CFO)	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	He has been paid remuneration as Executive Director. Hence, no remuneration was paid as CFO during the year.	— — —
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission - as % of profit - others, specify...	—	—
5.	Others, please specify	—	—
	Total (A)	—	—
	Ceiling as per the Act	—	—

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority[RD / NCLT/COURT]	Appeal made, if any(give Details)
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

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

**Place: Denduluru
Date: 14.08.2018**

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

**Sd/-
Mrs. Phani Anupama Vankineni
Director
DIN: 00935032**

ANNEXURE - III**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014****(A) Conservation of energy-**

The Company has been laying emphasis on the conservation of energy and taking several measures like effective control on utilization of energy and regular monitoring of its consumption etc.

(B) Technology absorption-

- (i) the efforts made towards technology absorption; NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- N.A.
- (iv) the expenditure incurred on Research and Development- NIL

(C) Foreign exchange earnings and Outgo- NIL

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

Place: Denduluru

Date: 14.08.2018

Sd/-
Bhanu Prakash Vankineni
Managing Director
DIN: 00919910

Sd/-
Mrs. Phani Anupama Vankineni
Director
DIN: 00935032

ANNEXURE - IV**PARTICULARS OF EMPLOYEES**

[Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i) The percentage of increase in remuneration of each Director and Chief Financial Officer during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	The Percentage increase in remuneration of each director, CFO, CEO in the financial year
1.	Vankineni Bhanu Prakash	NIL (During the year no remuneration was paid)	NIL
2.	Vankineni Kiran Kumar	5.48X	NIL

Note: Here 'X' is a median remuneration of the permanent employees is Rs. 87,600/- per annum.

- ii) In the financial year, there was an increase of NIL % in the median remuneration of employees;
- iii) There were 12 permanent employees on the rolls of Company as on March 31, 2018;
- iv) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was NIL % whereas the decrease/ increase in the managerial remuneration for the same financial year was NIL%.
- v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- vi) Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.-

S.No	Employee name	Designation	Educational qualification	Age	Experience	Date of Joining	Gross remuneration paid	Previous employment and designation, If any	No. Shares held, If any	Remarks
-	-	-	-	-	-	-	-	-	-	-

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

**Place: Denduluru
Date: 14.08.2018**

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

**Sd/-
Mrs. Phani Anupama Vankineni
Director
DIN: 00935032**

ANNEXURE - V**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

The Company has no subsidiaries.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

S.No	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of sharesheld	Applicable Section
1.	GENESIS IBRC INDIA LIMITED	L24100AP1992PLC107068	Associate	23.08	2(6)

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

**Place: Denduluru
Date: 14.08.2018**

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

**Sd/-
Mrs. Phani Anupama Vankineni
Director
DIN: 00935032**

ANNEXURE - VI

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2018, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis are as follows:

Nature of contract & Name of the related party	Nature of relationship	Duration of Contracts	Salient Terms	Amount (Rs. in Lakhs)
Loan Form Mr. Bhanu PrakashVankineni	Managing Director	As mutually agreed	Unsecured Loan	1,067
Loan from Phani AnupamaVankineni	Director	As mutually agreed	Unsecured Loan	109

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

**Place: Denduluru
Date: 14.08.2018**

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

**Sd/-
Mrs. Phani Anupama Vankineni
Director
DIN: 00935032**

MANAGEMENT DISCUSSION & ANALYSIS**I. Industry structure and development:**

The global edible oil market is segmented into palm, rice bran oil, sunflower, olive, corn and canola oils, as well as specialty blended oils and others. The palm oil segment is projected to register the fastest growth rate through the forecast period, with the segment accounting over 32% share in the global market in terms of volume in 2015.

According to a new report published by Persistence Market Research, 'Global Market Study on Edible Oils: Industry Analysis and Forecast 2016-2024', the global edible oils market is expected to register a CAGR of 5.1% through the forecast period to reach the value of US\$ 130.3 billion at the end of 2024. The projected market trend can be attributed to rising health concerns across the globe and growing demand for healthy edible oils.

The global edible oils market is segmented on the basis of region, into North America, Europe, Asia Pacific, Latin America and Middle-East and Africa (MEA). Asia Pacific is projected to dominate the global market, accounting for 41.29% share in 2015, and is expected to account for 42.40% at the end of 2024. The projected market trend can be ascribed to growing demand for edible oils in India and China, especially in the food and beverage industries.

II. Strengths/Opportunities:

- a. A well-established supplier in the edible oil segment, in operation and manufacturing a diverse range of edible oils covering refined castor oil, rice bran oil, palm oil, cottonseed oil, groundnut oil and other vegetable oils.
- b. The promoters are having more than a decade of experience in the business of edible as well as non-edible oils.
- c. The Company has its extensive marketing and distribution network which reaches out the customers in India.
- d. The Company's focus is on Healthy edible oils which include rice bran oil and vegetable oil as they are more preferred with increasing health consciousness in the country – edible oil segment is growing at a CAGR of 10% to 15% and as such health friendly oils are growing at a CAGR of over 20% in India. This creates a big opportunity for the company to make its existing local brands popular on a national scale.

III. Weaknesses / Risks:**● Business Risk:**

The Edible Oil Industry is exposed to significant threats that arise because of price volatilities, regulatory uncertainties and raw material availability concerns. It also faces stiff challenges in marketing its products since there is little product differentiation, and assured off-take or long-term contracts are few and far between. The industry also has a high credit risk, which arises from its widespread debtor base and the trading nature of its operations. Solvent extraction units face huge raw material availability risks since oilseed imports are minimal and largely restricted. Hence, the domestic extraction industry has to depend solely on the domestic crop, which, in turn, depends on monsoons, crop yields, and area under cultivation, minimum support prices and other financial incentives announced by the government. Apart from its highly seasonal nature, oilseed production fluctuates widely because of these variables. Moreover, nearly 35 per cent of domestic oil consumption is dependent on imports. Hence, global demand-supply dynamics too have a key bearing on domestic realizations with domestic prices increasingly aligning themselves to international ones. Since international oil prices continue to exhibit highly volatile patterns, they affect domestic players. Although the industry offers a natural hedge to some extent since input and output prices are correlated, any adverse movement in prices could make the business unviable because of the industry is extremely thin bottom-line. The domestic Edible Oil Industry also faces significant regulatory

risks as evident in the Government's increasing interventions through frequent changes in customs and excise duty structures and international trade - related regulations (import and export restrictions). These changes have a far-reaching impact on players since the consumers' high price sensitivity leads to shifts in the demand pattern among various edible oils. As a result, one oil category often expands at the cost of another.

- **Government Policies:**

The policies announced by the Government have been progressive and are expected to remain likewise in future, and have generally taken an equitable view towards various stakeholders, including domestic farmers, industry, consumers etc. Government policies play an important role in the businesses of your Company.

- **Risk Mitigation Practices**

Availability Risk:

Industry players maintain adequate stocks to achieve optimal capacity utilization during the offseason, making their operations highly working capital-intensive and raising stockholding costs. This practice also increases price risk to some extent, since the industry could face volatility between the procurement of the inputs and the sale of the outputs, impacting margins. Companies also prefer to be located close to raw material sources.

Price Risk:

Companies use risk mitigation tools such as agro-commodity futures to manage price risk. Globally, commodity exchanges like the Chicago Board of Trade (CBOT) have significantly higher volumes than the equity exchanges in the country, but domestic exchanges have low volumes and have traditionally been technologically inferior to their international counterparts. Nationwide commodity exchanges have come up recently such as the National Commodity and Derivatives Exchange (NCDEX) and Multi-Commodity Exchange (MCX), which are trying to match international standards of connectivity and scalability. Nevertheless, a significant proportion of domestic players still do not hedge their positions, leading to high volatility in margins. Companies also use forward currency covers for imports and exports to hedge against currency risks. Besides, big players are looking at branding and retailing of edible oils since this offers higher realizations and greater pricing flexibility than bulk oils. This, however, entails considerable investments in a marketing and distribution network and requires a reasonable size of operation, which small-unorganized players may not possess.

- **Regulatory Risk:**

Some of the Edible Oil players are diversifying their operations across more than one oil category to insulate themselves from any demand substitution due to relative duty changes. Also, some companies have set up import-based refining plants in areas that offer tax breaks such as Kandla Port in Gujarat to save on customs duty, apart from enjoying cost economies because of their proximity to the input source.

- **Credit Risk:**

On an average, players provide a credit period of 2 to 4 weeks. While this is specific to a player's internal credit policy, a high debtor turnover is desirable. Additional incentives such as cash discounts are also a common feature in the business. Companies also enter into letter of credit-based contracts for exports of DOC and other products.

- **Risk Management Policy:**

The Company, by adopting a Risk Management Policy, has ensured the awareness of its standards for risk taking while conducting business. The aim of this policy is not to eliminate risk. It is to assist personnel to manage the risks involved in all activities to maximize opportunities and minimize adverse consequences.

● Audit and Internal Controls:

DIL has well-established processes and clearly-defined roles and responsibilities for people at various levels. This, coupled with adequate internal information systems embedded in business automation software, ensures proper information flow for the decision-making process. Adherence to these processes is ensured through frequent internal audits. The Executive Committees monitors business operations through regular reviews of performance vis-a-vis budgets. An extensive program of internal audit conducted by the internal audit team, reviewed by the Audit Committee, and requisite guidelines and procedures augment the internal controls. The internal control system is designed to ensure that financial and other records are reliable for preparing financial statements and other information. These procedures ensure that all transactions are properly reported and classified in the financial records.

IV. 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 and non-availability of raw-materials timely affected the margins severely. The Company continues to concentrate on better working capital management as other overheads could not be controlled.

V. Human Assets:

The Company continued to make significant progress on strengthening HR Processes and Practices to build organization for current as well as future sustainability during the year. The Company focuses on providing individual development and growth in a professional work culture that ensures high performance. The Company has concentrated on enhancing capability of employees that ultimately helps achieving better standards of operations. The Company organizes various Seminars for the up gradation of Employees. Moreover, to enhance the skills of Employees various Training programs are also arranged by the Company

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

Place: Denduluru

Date: 14.08.2018

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

**Sd/-
Mrs. Phani Anupama Vankineni
Director
DIN: 00935032**

CORPORATE GOVERNANCE REPORT**(Pursuant to Schedule V C of the SEBI(LODR) Regulations, 2015)**

The Company's shares are listed on BSE Limited. The Corporate Governance Report has been prepared in accordance with Regulation 34 read with Schedule V C of the of the SEBI (LODR) Regulations, 2015.

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.

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 Seven (7) Directors, having rich and vast experience with specialized skills in their respective fields, out of which Four (4) are Non-Executive Directors. The Company has an Executive (Promoter) Chairman. The Independent Directors are more than 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 Five (5) Board Meetings were held on 28.05.2017, 16.08.2017, 28.11.2017, 04.01.2017, 13.02.2018. 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	No of Board Meetings during the Year 2017-2018 and attendance		Attendance at last AGM 30-09-2017	@ No. of Director ships held in other Companies	Committee Memberships and Chairmanships in other Companies	
	Held	Attended			Membership	Chairmanship
V. Bhanu Prakash Managing Director, Executive (Promoter)	5	5	Yes	-	NIL	NIL
K. Visweswar Rao* Independent Director	5	3	Yes	1	NIL	NIL
V. Phani Anupama Executive Director	5	5	Yes	-	NIL	NIL
Kirankumar Vankineni Executive Director	5	5	Yes	-	NIL	NIL
V.V.Vinod Kumar Independent Director	5	5	Yes	2	4	1
Srinivas Babu Edupuganti Independent Director	5	5	Yes	-	NIL	NIL
S Shanmugasundaram* - Independent Director	5	3	-	-		

@ Note: Excluding Directorship in Foreign Companies, Private Limited Companies and Section 8 Companies.

Only Membership of Audit and Stakeholder Relationship Committees are considered.

* Ceased to be director's w.e.f. 4th January, 2018

3. COMMITTEES OF DIRECTORS

A. Audit Committee

The Company constituted a Qualified and Independent Audit Committee comprising of three directors as members of the Committee in which two thirds of the members are independent directors in accordance with the provisions of regulation 18 of SEBI (LODR) Regulations 2015, and Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under these regulation and Section 177 of the Companies Act, 2013. 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	E. SrinivasBabu	Chairman	4	4
2	*K. Visweswara Rao	Member	4	4
3	V. Bhanu Prakash	Member	4	4
4.	V.V.Vinod Kumar	Chairman	4	1

*Mr.Visweswara Rao Kothapalli (DIN: 02447465) have ceased to be the director of the company w.e.f 04/01/2018 due to their disqualification under the provisions of the Companies Act.

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 28.05.2017, 16.08.2017, 28.11.2017, 13.02.2018. The gap between two audit Committee meetings was not more than four months.

The necessary quorum was present at all the meetings.

B. Nomination & 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	No. of meetings held during the year	No. of meetings attended
1	*K. Visweswar Rao	Chairman	2	2
2	V.V.Vinod Kumar	Member	2	2
3	E. Srinivas Babu	Chairman	2	2
4	Phani Auppamma Vankeneni	Member	0	0

Mr.Visweswara Rao Kothapalli (DIN: 02447465) have ceased to be the director of the company w.e.f 04/01/2018 due to their disqualification under the provisions of the Companies Act.

The Nomination and 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. The Company's Remuneration policy as applicable to Directors, Key Managerial Persons and other Senior Management Personnel of the Company is annexed as Annexure 2 to the Board's Report.

The details of remuneration and commission paid during the year to the Managing Director, is as follows:
(Rs. in Lakhs)

Salary	NIL
Allowances, Perquisites & others	-
Commission	-
Company's Contribution to PF	-
Total	NIL

Compensation paid to Non-Executive Directors and their shareholding is as follows:

Name of the Director	Designation	Sitting fees paid Rs.	No. of shares held on 31-03-2018
K. Visweswar Rao	Independent Director	NIL	NIL
V.V. Vinod Kumar	Independent Director	NIL	NIL

Other than the sitting fees to Non-Executive Directors, there was no material pecuniary relationship or transaction with the Company. The Company has not issued any stock options to its Directors/Employees.

C. Stakeholders Relationship Committee:

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

Name of the Director	Nature of Directorship	Membership
V. Phani Auppamma	Non-Executive Director	Chairman
V. Bhanu Prakash	Managing Director	Member

The Stakeholders 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 B of Regulations 19(4) and 20(4) of SEBI (LODR) Regulations, 2015, Role of Committee other than audit committee, 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, 2018.

4. GENERAL BODY MEETINGS

13. The Details of the last three Annual General Meetings are given below:

Financial year ended	Date	Venue	Time	Special Resolution passed
March 31st, 2017	29 th September, 2017	Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari – 534 432, A.P	4.00 PM	Appointment and fixation of Remuneration of Mr. S Shanmugasundaram and V. Kiran Kumar as Executive Director of the Company.
March 31 st ,2016	30 th September, 2016	Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari – 534 432, A.P	3.00 PM	1. Re-appointment and to fix Remuneration of Mr. V. BahnuPrakash As Managing Director of the Company.
March 31 st , 2015	29 th September, 2015	Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari – 534 432, A.P	3.00 PM	No Special Resolution

Any Resolution passed last year through Postal ballot-

During the year under review the Company has not passed any resolution through Postal Ballot.

5. 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

A compliance certificate under Regulation 17(8) of SEBI (LODR) Regulations, 2015 signed by the Company’s Managing Director and CFO is annexed to this Report.

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, 2018. 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 Schedule V of SEBI (LODR) Regulations, 2015, 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. PhaniAnupamaVankineni and Mr.Kiran Kumar Vankineni belong to promoter group and are related to each other.

I. Familiarization program of Independent Directors

The Company conducted familiarization program for the Independent Directors to familiarize them to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Company also conducted a separate programme on the latest SEBI Regulations to promote training to the Directors to ensure that the Board Members are kept up to date.

J. Related Party Transactions.

The policy on dealing with related party transactions has been posted on the website of the Company

6. 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.

7. GENERAL SHAREHOLDER’S INFORMATION

i) Annual General Meeting

Date and Time	Friday, 29th September, 2018- 3.00 PM
Venue and Mandal, West Godavari, A.P.-534 432	Dwarka Thirumala Road, Denduluru Village
Last Date of Proxy forms submission	11:00 AM on 27 th September, 2018

- ii) Financial Year : 1st April 2017 to 31st March 2018
- iii) Book Closure : 22ndSeptember, 2018 to 29th September, 2018
- iv) Dividend Payment Date : N.A.
- v) Listing on Stock Exchange : BSE Limited, PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai.

vi) Stock Code

Name of the Stock Exchange	Stock Code	Scrip Code
Bombay Stock Exchange Limited	531153	DILIGENT
Demat ISIN No. for NSDL & CDSL	INE650C01028	

The Companies Securities are listed on the BSE Limited. The listing fees for the year 2018-19 have been paid to BSE Limited.

- vii) 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 2017-2018 at BSE Limited are given below:

Month	Bombay Stock Exchange Limited (BSE)		
	High (Rs.)	Low (Rs.)	Volume
April, 2017	22.45	17.25	37173
May, 2017	20.30	15.10	109302
June, 2017	18.90	12.15	144977
July, 2017	18.90	13.15	122707
August, 2017	17.10	11.36	125184
September, 2017	17.35	12.26	57586
October, 2017	15.90	11.35	22101
November, 2017	17.62	11.20	28733
December, 2017	18.76	12.26	68687
January, 2018	20.60	13.80	48763
February, 2018	18.90	15.75	14100
March, 2018	17.00	15.90	3291

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

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.

ix) 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, or Regulation 40(9) of SEBI (LODR) Regulations, 2015 whichever is applicable certificate on half-yearly basis, have been given by a Practicing Company Secretary due compliance of shares transfer formalities.

x) Distribution of Equity Shares as on 31st March, 2018

CATEGORY		No. of Shareholders	% to Shareholders	Amount	% to Capital
From	To				
1	5000	1394	72.23	3552680	3.11
5001	10000	368	19.07	2983120	2.61
10001	20000	94	4.87	1383360	1.21
20001	30000	20	1.04	482120	0.42
30001	40000	11	0.57	397600	0.35
40001	50000	3	0.16	140590	0.12
50001	100000	6	0.31	447550	0.39
100001	ABOVE	34	1.76	104972980	91.79
	TOTAL	1930	100	114360000	100

xi) Shareholding Pattern as on 31st March, 2018

Category	No. of Shares held	% of Capital
Indian Promoters	14027000	61.33
Banks, Financial institutions, Insurance Companies & Mutual Funds	0	0
Foreign Institutional Investors	0	0
Indian Public & HUFs	8845000	38.67
Private Corporate Bodies	242370	1.06
NRIs /OCBs/ FCBs	0	0
Others	3959	0.2
Total	22872000	100

xii) 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, 2018, 93.81% of the Company's Equity shares are in dematerialized form. The ISIN NO. / Code for the Company's Equity Shares is INE650C01028. Shareholders can open an account with any of the depository participants registered with any of these depositories.

xiii) Address for Correspondence
Diligent Industries Limited
Denduluru Village and Mandal,
West Godavari – 534 432
Andhra Pradesh

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

**Place: Denduluru
Date: 14.08.2018**

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

**Sd/-
Mrs. Phani Anupama Vankineni
Director
DIN: 00935032**

Managing Director's and CFO's Certification
(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

We have reviewed the financial statements read with the cash flow statement of Diligent Industries Limited for the year ended March 31st, 2018 and that to the best of our knowledge and belief, we state that;

- (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.

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.

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.

We have indicated to the Auditors and Audit Committee :

- (i) No 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.

Sd/-
Kiran Kumar Vankineni
CFO

Sd/-
Vankineni Bhanu Prakash
Managing Director

Place: Denduluru

Date: 30.05.2018

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 2016-17.

Sd/-

Place: Denduluru

Vankineni Bhanu Prakash

Date: 30.05.2018

Managing Director

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,
The Members,
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 2017, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 that company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For P.S. Rao & Associates
Company Secretaries**

Place: Hyderabad

Date: 14-08-2018

Sd/-

P.S.RAO

Company Secretary

ACS No: 9769

P No: 3829

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Diligent Industries Limited

Report on the Audit of the Standalone Financial Statements

We have Audited the accompanying standalone financial statements of **Diligent Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, (including other comprehensive income) the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for them as per stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cashflows of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under section 133 of the Act read with the companies (Indian Accounting Standards) rules, 2015 as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements based on our audit.

In conducting our audit, we have considered the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order issued under section 143 (11) of the act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 of the of the Company as at 31 March 2018, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report agree with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) Based on the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". our report expresses an unmodified opinion on the adequacy and operating efficiency of the company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For NSVR & Associates LLP,
Chartered Accountants,
Firm Reg.No.008801S/S200060**

Sd/-
R. Srinivasu
Partner
Membership No.224033

Place: Hyderabad

Date: 30.05.2018

Balance Sheet as at 31st March 2018

Amt (in lakhs)

Particulars	Note. No.	As At 31.03.2018	As At 31.03.2017	As At 31.03.2016
ASSETS				
Non-current assets				
(a) Property plant and Equipment	2	773.43	787.93	832.00
(b) Capital Work Inprogress	2	189.79		
(c) Financial Assets Investments	3	300.00	-	-
Loans	4	61.09	61.09	61.09
Total Non Current Assets		1,324.31	849.02	893.08
Current assets				
(a) Inventories	5	575.28	616.65	523.87
(b) Financial assets				
(i) Trade receivables	6	2,118.33	451.82	2,188.25
(ii) Cash and cash equivalent	7	34.36	71.26	17.50
(c) Current tax Asset(Net)	8	8.60	6.96	12.45
(d) Other current assets	9	641.58	3,206.46	1,256.37
Total Current Assets		3,378.15	4,353.14	3,998.43
Total Assets		4,702.46	5,202.16	4,891.51
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	10	1,143.60	1,143.60	1,143.60
Other Equity	11	(42.93)	(107.27)	(105.17)
Total Equity		1,100.67	1,036.33	1,038.43
Liabilities				
Non-current liabilities				
(a) Financial Liabilities Borrowings	12	1,195.70	700.42	1,128.23
Deffered tax Liabilities (net)		10.74	15.30	12.04
Total Non Current Liabilities		1,206.44	715.72	1,140.27
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	1,327.00	1,326.09	738.89
(ii) Trade payables	14	899.22	2,064.34	1,763.38
(iii) Other Financial liabilities	15	169.13	59.69	210.55
Total Current Liabilities		2,395.34	3,450.12	2,712.82
Total Equity and Liabilities		4,702.46	5,202.16	4,891.51
Summary of Significant Accounting Policies	1			

For NSVR & Associates LLP.,
Chartered Accountants
Firm Reg.No.008801S/S200060

For and on behalf of the Board of Directors
Diligent Industries Limited

Sd/-
R.Srinivasu
Partner
M No :224033

Sd/-
Bhanu Prakash Vankineni
Managing Director
DIN:00919910

Sd/-
Phani Anupama Vankineni
Director
DIN: 00935032

Place: Hyderabad
Date: 30.05.2018

Sd/-
Vankineni Kiran Kumar
Chief Financial Officer

Statement of Profit and Loss for the Year Ended 31st March 2018

		Amt (in lakhs)	
Particulars	Note.No	31.03.2018	31.03.2017
I. INCOME			
Revenue from Operations	16	7,845.14	6,077.74
Other Income	17	2.27	11.57
Total Revenue		7,847.41	6,089.31
II. EXPENSES			
Cost of Materials Consumed	18	7,496.18	5,812.55
(Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress	19	(53.54)	(42.40)
Depreciation and Amortization	2	49.40	44.70
Finance Costs	20	164.18	157.66
Employee Benefits Expenses	21	19.95	26.40
Other Expenses	22	72.92	83.03
III. Profit/(Loss) before exceptional and extraordinary items (III - IV)		98.33	7.36
Exceptional Items	-	-	-
IV Profit/(Loss) before extra-ordinary items and tax (V- VI)	-	98.33	7.36
Extraordinary items	-	-	-
V Profit / (Loss) before Tax (VII - VIII)	-	98.33	7.36
VI Tax expense			
(1) Current tax		38.54	6.19
(2) MAT Credit Entitlement		-	-
(3) Deferred tax		(4.56)	3.26
Total Tax	-	33.98	9.45
VII Net Profit/(Loss) from continuing operations (IX - X)	-	64.34	(2.10)
VIII Profit / (Loss) from discontinuing operations		-	-
IX Tax expense of discontinuing operations		-	-
X Net Profit/(Loss) from discontinuing operations (XII - XIII)	-	-	-
XI Net Profit/(Loss) for the period (XI + XIV)	-	64.34	(2.10)
XII Other Comprehensive Income	-	-	-
A] (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B] (i) Items that will be reclassified to profit or (loss)		-	-
(ii) Income relating to items that will be reclassified to profit or loss		-	-
XIII Total Comprehensive Income for the period (XV+XVI)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	-	64.34	(2.10)
Basic EPS		0.28	(0.01)
Diluted EPS		0.28	(0.01)
Summary of Significant Accounting Policies	1		

For NSVR & Associates LLP.,
Chartered Accountants
Firm Reg.No.008801S/S200060

For and on behalf of the Board of Directors
Diligent Industries Limited

Sd/-
R.Srinivasu
Partner
M No :224033

Sd/-
Bhanu Prakash Vankineni
Managing Director
DIN:00919910

Sd/-
Phani Anupama Vankineni
Director
DIN: 00935032

Place: Hyderabad
 Date: 30.05.2018

Sd/-
Vankineni Kiran Kumar
Chief Financial Officer

Cash Flow Statement For the Period Ended 31st March 2018

Amt (in lakhs)

Particulars	As At 31.03.2018	As At 31.03.2017
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	98.33	7.36
Adjusted for :		
Interest debited to P&L A/c	164.18	157.66
Depreciation	49.40	44.70
Operating profits before working capital changes	311.90	209.72
Changes in current assets and liabilities		
Inventories	41.37	(92.78)
Sundry debtors		
Trade Receivable	(1,666.51)	1,736.43
Loans and advances and Other current assets		
Other Current Assets	2,563.24	(1,944.61)
Current liabilities	(1,054.77)	737.30
Cash generated from operations	195.23	646.06
Income tax paid	(38.54)	(6.19)
Net cash generated from operating activities	156.69	639.87
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and change in capital wip	(224.69)	(0.64)
Long Term Loans and advances	(0.00)	
Investment in Equity Shares	(300.00)	-
Net cash used in investing activities	(524.69)	(0.64)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Secured and Unsecured Loans	495.28	(427.81)
Interest paid	(164.18)	(157.66)
Increase in share Capital	-	-
Net cash generated in financing activities	331.11	(585.47)
D. Net increase / (decrease) in cash and cash equivalents	(36.89)	53.75
E. Cash and cash equivalents at the beginning of the year	71.26	17.50
F. Cash and cash equivalents at the end of the year	34.36	71.26

For NSVR & Associates LLP.,
Chartered Accountants
Firm Reg.No.008801S/S200060

For and on behalf of the Board of Directors
Diligent Industries Limited

Sd/-
R.Srinivasu
Partner
M No :224033

Sd/-
Bhanu Prakash Vankineni
Managing Director
DIN:00919910

Sd/-
Phani Anupama Vankineni
Director
DIN: 00935032

Place: Hyderabad
Date: 30.05.2018

Sd/-
Vankineni Kiran Kumar
Chief Financial Officer

1.1 First-time adoption of Ind AS

These financial statements, for the year ended 31st March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

The Company has not elected to measure any item of property, plant and equipment at its fair value at the Transition Date; property, plant and equipment have been measured at cost in accordance with Ind AS.

Estimates

The estimates at 1st April 2016 and at 31st March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTPL – Quoted equity shares
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2016, the date of transition to Ind AS and as of 31st March 2017.

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS - (Amount in INR Lakhs)

Particulars	As on 1 April 2016	As on 31 March 2017
Equity as per Indian GAAP	1038.42	1036.33
Adjustments:		
Equity as per Ind AS	1038.42	1036.33

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the year ended 31 March 2017- (Amount in INR Lakhs)

Particulars	Amount
Net profit under previous GAAP	64.34
Net profit for under Ind AS	64.34

Deferred Tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approaches has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is included as part of sales in the face of statement of profit and loss. Excise duty is not applicable to the company hence there is no impact under Ind as during the reporting period.

1.2 Auditors Remuneration

Amount in INR lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Audit fees	0.30	0.30
b) Other charges		
Taxation matters	0.20	0.20
Other matters	Nil	Nil
c) Reimbursement of out of pocket expenses	Nil	Nil
TOTAL	0.50	0.50

1.3 Earnings per Share: (Amount in INR Lakhs except share data)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Earnings		
Profit attributable to equity holders	64.34	-2.09
Shares		
Number of shares at the beginning of the year	22,872,000	22,872,000
Add: Equity shares issued	-	-
Less: Buy back of equity shares	-	-
Total number of equity shares outstanding at the end of the year	22,872,000	22,872,000
Weighted average number of equity shares outstanding during the year – Basic	22,872,000	22,872,000
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted	22,872,000	22,872,000
Earnings per share of par value Rs.2/- – Basic (‘)	0.28	0.01
Earnings per share of par value Rs.2/- – Diluted (‘)	0.28	0.01

1.4 Related Parties

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company’s Directors, members of the Company’s Management Council and Company Secretary are considered as Key Management Personnel. List of Key Management Personnel of the Company is as below:

Related party Transaction Firms/Company

Sl. No. Name of the Firm

Key Management Personnel (KMP)

Sl. No.	Name of the Person	Designation
1	Mr. Bhanu Prakash Vankineni	Managing Director
2	Smt. Phani Anupama Vankineni	Director
3	Mr. Subramaniam Shanmugasundaram	Director
4	Mr. Visweswara Rao Kothapalli	Director
5	Mr. Kirankumar Vankineni	Director
6	Mr. Srinivas Babe Edupuganti	Director
7	Mr. Venkata Vinod Kumar Valipireddy	Director

The following is a summary of significant related party transactions:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Key managerial personnel		
Remuneration & Commission		
Mr. Bhanu Prakash	NIL	NIL
Mr. Kirankumar Vankineni	4.80	4.80
b) Non-whole time Directors		
Total	4.80	4.80

Transactions / Balances with Related Parties

Amount in INR Lakhs

NATURE OF TRANSACTION	M/s. Bhanu Prakash Vankineni	M/s. Phani Anupama Vankineni
1. Loans accepted	1337.81	52.00
2. Loans repaid	911.48	1.99

Closing Balance with Related Parties (Debit / (Credit))

Name of the Party	Amount Rs. in lakhs (As at 31 st March 2018)
M/s. Bhanu Prakash Vankineni	1067.60
M/s. Phani Anupama Vankineni	109.14

1.5 Earnings/expenditure in foreign currency:**Expenditure in Foreign currency:**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Travel Expenses	Nil	Nil
Professional Fees	Nil	Nil
Other expenses	Nil	Nil
Total	Nil	Nil
Earnings in Foreign currency:		
FOB Value of Exports	Nil	Nil
Dividend	Nil	Nil
Total	Nil	Nil

1.6 Segment Reporting:

The Company concluded that there is only one operating segment i.e., Agriculture Products. Hence, the same becomes the reportable segment for the Company. Accordingly, the Company has only one operating and reportable segment, the disclosure requirements specified in paragraphs 22 to 30 are not applicable. Accordingly, the Company shall present entity-wide disclosures enumerated in paragraphs 32, 33 and 34 of Ind AS 108.

1.7 Determination of Fair Values:

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability

(i) Property, plant & Equipment:

The Company has not elected to measure any item of property, plant and equipment at its fair value at the Transition Date; property, plant and equipment have been measured at cost in accordance with Ind AS.

(ii) Investments in equity securities

The fair value of marketable equity is determined by reference to their quoted market price at the reporting date.

1.8 Employee benefits:**Provident fund benefits**

The employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer each make monthly contributions to a government administered fund equal to 12% of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributed Rs.1.44 Lakhs and Rs.1.79 Lakhs to the provident fund plan during the years ended 31stMarch 2018 and 2017, respectively.

1.9 Income Taxes:**a. Income Tax Expense/ (benefit) recognized in the statement of profit and loss:**

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current Taxes Expense		
Domestic	38.54	6.19
Deferred Taxes Expense/(Benefit)		
Domestic	(4.56)	3.26
Total Income Tax Expense/(Benefit) Recognized in the Statement of Profit and Loss	33.98	9.45
b. Reconciliation of Effective Tax		
Profit Before Income Taxes	98.32	7.35
Enacted Tax Rate in India	30.9%	30.9%
Computed Expected Tax Benefit/(Expense)	38.54	6.19
Effect of:		
Differences between Indian and foreign tax rates	Nil	nil
Impairment of product related intangibles and goodwill (Unrecognized deferred tax assets) / recognition of previously unrecognized deferred tax assets, net	Nil	Nil
Expenses not deductible for tax purposes	49.84	Nil
Share-based payment expense		
Income exempt from income taxes	Nil	Nil
Foreign exchange differences	Nil	Nil
Incremental deduction allowed for tax Purposes	31.59	Nil
Deferred tax expense on undistributed earnings of subsidiary outside India	Nil	Nil
Current taxes on undistributed earnings of subsidiary outside India	Nil	Nil
Effect of change in tax laws and rate	Nil	Nil
Investment allowance deduction	Nil	Nil
Earlier Years' tax Provision -(reversal)/provided	Nil	Nil
Others	Nil	nil
Income Tax Benefit/(Expense)	38.54	7,511
Effective Tax Rate	39.20%	26%
c. Deferred Tax Assets & Liabilities:		
The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:		
Deferred Tax Assets/(Liabilities):		
Property, Plant and Equipment	-10.73	-15.29
Net Deferred Tax Assets/(Liabilities)	-10.73	-15.29

d. Movement in deferred tax assets and liabilities during the year ended & 2017:

31st March 2018

Particulars	As at 1 April 2016	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2017
Deferred Tax Assets/(Liabilities)				
Property, Plant and Equipment	-12.06	-3.26	-	-15.29
Net Deferred Tax Assets/(Liabilities)	-12.06	-3.26	-	-15.29

Particulars	As at 1 April 2017	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2017
Deferred Tax Assets/(Liabilities)				
Property, Plant and Equipment	-15.29	4.56	-	-10.73
Net Deferred Tax Assets/(Liabilities)	-15.29	4.56	-	-10.73

1.10 Investments:

The details of such investments as of 31st March 2018 are as follows: Amount in INR Lakhs

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair value
Non-current Investments				
Investment in Equity shares of				
Genesis IBRC India Limited	300	0	0	300
Total	300	0	0	300

1.11 Financial Instruments:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Amount in INRLakhs

Particulars	Carrying value			Fair value		
	Mar-18	Mar-17	Apr-16	Mar-18	Mar-17	Apr-16
Financial assets						
Cash and Cash Equivalents	34.36	71.25	17.50	34.36	71.25	17.50
Trade Receivables	2118.32	451.82	2188.24	2118.32	451.82	2188.24
Total	2152.68	523.07	2205.75	2152.68	523.07	2205.75
Financial liabilities						
Borrowings	1326.99	1326.09	738.88	1326.99	1326.09	738.88
Trade Payables	899.21	2064.33	1763.37	899.21	2064.33	1763.37
Other Financial Liabilities	169.13	59.68	210.54	169.13	59.68	210.54
Total	2395.34	3450.11	2712.81	2395.34	3450.11	2712.81

**For NSVR & Associates LLP,
Chartered Accountants
Firm Reg.No.008801S/S200060**

**For and on behalf of the Board of Directors
Diligent Industries Limited**

**Sd/-
R.Srinivasu
Partner
M No :224033**

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

**Sd/-
Phani Anupama Vankineni
Director
DIN: 00935032**

Place: Hyderabad
Date: 30.05.2018

**Sd/-
Vankineni Kiran Kumar
Chief Financial Officer**

2. Property, Plant and Equipment : Amt (in lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2017	Additions during the year	Deletions during the year	As at 31.03.2018	As on 01.04.2017	During the period	On Deletions	As on 31.03.2017	WDV as at 31.03.2018	WDV as at 31.03.2017
Air Conditioner	1.14	0.00	0.00	1.14	1	0	0	1	0	0
Boiler	18.32	0.00	0.00	18.32	8	2	0	10	8	10
Building	593.24	0.00	0.00	593.24	105	22	0	127	467	488
Cash Counting Machine	0.05	0.00	0.00	0.05	0	0	0	0	0	0
Computer	0.69	0.00	0.00	0.69	1	0	0	1	0	0
Electrical fittings	4.07	0.00	0.00	4.07	3	1	0	4	0	1
EPABX System	0.03	0.00	0.00	0.03	0	0	0	0	0	0
ETP Tanker	7.02	0.00	0.00	7.02	3	0	0	3	4	4
Euro Clean	0.05	0.00	0.00	0.05	0	0	0	0	0	0
Furniture & Fixtures	3.18	0.00	0.00	3.18	2	1	0	3	0	1
Generator	14.44	0.00	0.00	14.44	6	1	0	7	7	8
Gunny Bags Blower	0.24	0.00	0.00	0.24	0	0	0	0	0	0
Hero Honda Motor cycle	0.30	0.00	0.00	0.30	0	0	0	0	0	0
Lab Equipments	0.76	0.00	0.00	0.76	1	0	0	1	0	0
Land	154.00	0.00	0.00	154.00	0	0	0	0	154	154
Lorry	0.93	0.00	0.00	0.93	1	0	0	1	0	0
Plant and Equipment	215.85	0.00	0.00	215.85	98	18	0	116	100	118
Suzuki Motor Cycle	0.72	0.00	0.00	0.72	0	0	0	0	0	0
suzuki scooter	0.61	0.00	0.00	0.61	0	0	0	0	0	0
Water Tanker	0.67	0.00	0.00	0.67	0	0	0	0	0	1
Welding machine	0.02	0.00	0.00	0.02	0	0	0	0	0	0
Wooden Conveyor	1.07	0.00	0.00	1.07	0	0	0	1	1	1
CAR	0.00	34.89	0.00	34.89		5		5	30	0
TOTAL	1017.40	34.89	0.00	1052.30	229	49	0	279	773	788

Notes to financial statements for the year ended
(All amounts in Rupees except for share data or otherwise stated)

Amt (in lakhs)

	As at 31.03.2017	As at 31.03.2017	As at 31.03.2017
Note 3			
Investments			
Quoted Investments			
Investment in Equity Shares of Genesis IBRC India Limited	300.00	-	-
Total	300.00	-	-
Note 4			
Loans			
Electricity Deposit	11.87	11.87	11.87
Gram Panchayat Deposit	0.88	0.88	0.88
Telephone Deposit	0.03	0.03	0.03
Indian Bank Deposit	0.81	0.81	0.81
BSE Capital Adequacy	2.50	2.50	2.50
BSE Membership Card	45.00	45.00	45.00
Total	61.09	61.09	61.09
Note 5			
Inventories			
Raw Materials	45.25	151.43	95.71
Finished Goods	478.86	425.32	382.92
Stores, spares and packing materials	51.17	39.89	45.24
Total	575.28	616.65	523.87
Note 6			
Trade Receivables			
Unsecured Considered Good	2,118.33	451.82	2,188.25
Total	2,118.33	451.82	2,188.25
Note 7			
Cash and Bank Balances			
In Current Accounts with Banks	4.73	1.53	8.22
Cash on Hand	29.63	69.73	9.28
Total	34.36	71.26	17.50

**Notes to financial statements for the year ended
(All amounts in Rupees except for share data or otherwise stated)**

Amt (in lakhs)

	As at 31.03.2017	As at 31.03.2017	As at 31.03.2017
Note 8			
Current Tax Assets (Net)			
MAT Credit Entitlement	8.23	8.23	13.02
T.D.S Receivable	0.37	0.13	0.41
Less: Provision for Taxes	-	1.40	0.98
Total	8.60	6.96	12.45
Note 9			
Other Current Assets			
GST Input	23.19		
Advances to Employees	2.08	2.22	2.61
Other Loans and Advances	38.74	38.24	38.24
VAT Credit Receivable	-	2.62	0.92
Advance to Suppliers	574.51	3,158.96	1,209.28
Prepaid Expenses	3.06	4.42	5.32
Total	641.58	3,206.46	1,256.37
Note 10			
Share Capital :			
a) Authorised share Capital			
2,40,00,000 Equity shares of Rs.5/- each			
(Previous Year 2,40,00,000 Equity shares of Rs.5/- each	1,200.00	1,200.00	
	1,200.00	1,200.00	
Issued, Subscribed and Paid Up			
2,28,72,000 Equity share of Rs.5/- each fully paid up			
(Previous Year 2,28,72,000 Equity shares of Rs.5/- each	1,143.60	1,143.60	
Total	1,143.60	1,143.60	

**Notes to financial statements for the year ended
(All amounts in Rupees except for share data or otherwise stated)**

10.1 Rights attached to Equity Shareholders

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

	As at 31.03.2018	As at 31.03.2017
b) Reconciliation of the number of shares outstanding in numbers		
Opening Balance	2,2872,000	2,2872,000
Issued During the year	0	0
Cancelled during the year	0	0
Closing Balance	2,2872,000	2,2872,000

c) Shareholders' holding more than 5 percent equity shares

Particulars	2017-18		2016-17	
	No of Shares	% of Holding	No of Shares	% of Holding
Name of the Shareholder				
Vankineni Bhanu Prakash	85,69,600	37.47%	85,69,600	37.47%
Vankineni Ratna Kumari	25,22,000	11.03%	25,22,000	11.03%
Paturi Srinivasa Rao	18,00,000	7.87%	18,00,000	7.87%

Note 11: Other Equity

Amt (in lakhs)

Particulars	Equity Component of Compound financial Instruments	Reserves and Surplus						Capital Reserve	Other Reserves(OCI)		TOTAL
		Securities Premium Reserve	Debt Redemption Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Share Options Outstanding Account		FVOCI equity investments	Foreign currency translation reserve	
Balance at 1 April 2015						(170.77)	58.16			(112.62)	
Restatements						7.45				7.45	
Profit for the Year											
Other Comprehensive income											
Dividend paid											
Dividend Distribution Tax											
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit											
Balance at 31 March 2016						(163.33)	58.16			(105.17)	
Restatements						(2.10)					(2.10)
Profit for the Year											
Other Comprehensive income											
Dividend paid											
Dividend Distribution Tax											
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit											
Balance at 31 March 2017						(165.43)	58.16			(107.27)	
Restatements						64.34					64.34
Profit for the Year											
Other Comprehensive income											
Dividend paid											
Dividend Distribution Tax											
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit											
Balance at 31 March 2018	-	-	-	-	-	(101.08)	58.16	-	-	(42.93)	-

Notes to financial statements for the year ended
(All amounts in Rupees except for share data or otherwise stated)

Amt (in lakhs)

	As at 31.03.2017	As at 31.03.2017	As at 31.03.2017
Note 12			
Borrowings			
Secured Loans			
Indian Bank Car Loan	18.95		
Loans and Advances from Related Parties			
Unsecured Loans	1,176.75	700.42	1,128.23
Total	1,195.70	700.42	1,128.23
Note 13			
Short Term Borrowings :			
Cash Credits Demand Loan			
Indian Rupee loans from banks (Secured)	1,327.00	1,326.09	738.89
Total	1,327.00	1,326.09	738.89
Note 14			
Trade Payables :			
(Trade Payables for Goods and Services)	894.15	2,058.94	1,762.62
Creditors for expenses	5.07	5.39	0.76
Total	899.22	2,064.34	1,763.38
Note 15			
Other Financial Liabilities			
A.M.C.Payable	5.70	2.18	1.43
C.S.T.2% Payable	-	0.92	1.04
VAT Payable	-	2.52	0.29
ESI Payable	0.10	-	0.07
Provident Fund Payable	0.23	0.28	0.28
T.D.S.Payable	1.50	0.99	0.11
Provision for Tax	38.54	-	-
Audit fee payable	1.35	0.90	0.45
Electricity Charges Payable	2.50	1.80	1.13
Advance from Customers	119.21	50.10	205.76
Total	169.13	59.69	210.55

**Notes to financial statements for the year ended
(All amounts in Rupees except for share data or otherwise stated)**

	2017-18	2016-17
Note 16		
Particulars		
Revenue from Operations :		
Income from Revenue	7845.14	6077.74
Net Revenue from Operations (Net)	7845.14	6077.74
Note 17		
Other Income		
Interest Received	0.75	0.88
Miscellaneous income	0.54	2.90
Processing Charges Received	0.00	6.80
Site Rent Received	0.96	0.96
Dividend Income	0.02	0.02
Total	2.27	11.57
Note 18		
Cost of Materials Consumed		
Raw Materials Consumed :	151.43	95.71
Opening stock at the beginning of the year		
Add : Purchase	7390.00	5868.27
	7541.43	5963.98
Less: Closing stock at the end of the year	45.25	151.43
Total	7496.18	5812.55
Note 19		
(Increase)/ Decrease In Inventories of Finished Goods and Work-in-Progress :		
Opening stock of inventories :		
Finished goods	425.32	382.92
Work .in. Progress		
	425.32	382.92
Closing stock of inventories :		
Finished goods	478.86	425.32
Work .in. Progress		
	478.86	425.32
Net Amount	-53.54	-42.40
Note 20		
Finance Cost :		
on Bank Loans	161.49	155.31
on borrowings from Directors	0.00	0.00
Processing fee	2.69	2.35
Total	164.18	157.66

**Notes to financial statements for the year ended
(All amounts in Rupees except for share data or otherwise stated)**

	2017-18	2016-17
Note 21		
Employee Benefits Expenses :		
Salaries,allowances and benefits to employees	13.27	19.77
Contribution to Provident fund and other funds	1.88	1.80
Managerial Remuneration	4.80	4.80
Staff Welfare Expenses	0.00	0.03
Total	19.95	26.40
Note 22		
Other Expenses :		
Agriculture Market Cess	3.52	0.75
Bank Charges	0.47	0.40
BSE Cub Charges	0.00	2.81
Cleaning Items	0.00	0.02
Commission	2.76	0.00
Discounts Given	1.24	2.64
Fee & Inspection charges	3.02	2.14
Freight charges - Other than Railway	7.08	22.44
Insurance	6.11	3.78
Interest on Late payment of TDS	0.45	0.01
Miscellaneous Expenses	0.35	1.29
Office Maintenance	0.09	0.03
Packing Material	0.03	0.38
Postage	0.02	0.10
Power and fuel	28.58	26.94
Printing & Stationery	0.24	0.09
Production Expenses	9.34	2.98
Quality, Rate Diff	0.00	1.97
Rates and Taxes	0.15	2.99
Rating Charges	0.57	0.29
Repairs and Mairncenance	0.50	0.21
Stock Exchange Expenses	3.93	3.71
Telephone Charges	0.99	1.17
Transport Charges	0.39	0.15
Travelling Expenses	0.15	0.03
Vehicle Maintenance	2.45	2.42
Postages	0.00	2.81
Payment to Auditor :		
As Statutory Audit fee	0.30	0.30
As Tax Audit fee	0.20	0.20
Total	72.92	83.03

DILIGENT INDUSTRIES LIMITED

CIN: L15490AP1995PLC088116

Registered Office: DwarkaThirumala Road,Denduluru village &mandal,
West Godavari, Andhra Peadesh-534432

- E-mail: diligentinvestors@gmail.com
- Website: www.diligentindustries.com

Form No.MGT-11

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)

CIN	L15490AP1995PLC088116		
Name of the Company	DILIGENT INDUSTRIES LIMITED		
Registered Office	DwarkaThirumala Road, Denduluru Village & Mandal, West Godavari, Andhra Peadesh -534432		
Name of the member(s)			
Registered Address			
E-mail Id			
Folio No./Client ID		DP ID	

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

(1) Name : _____

Address : _____

E-mail ID : _____ Signature: _____

or failing him/her

(2) Name : _____

Address : _____

E-mail ID : _____ Signature: _____

or failing him/her

(3) Name : _____

Address : _____

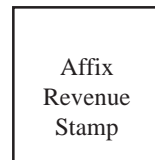
E-mail ID : _____ Signature: _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting (AGM) of the Company to be held on Friday, the 29 day of September , 2018 at 03.00 p.m. at Dwarka Thirumala Road, Denduluru village &mandal, West Godavari, Andhra Peadesh -534432, 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 Standalone Financial statements for the financial year ended 31 st March, 2018, the Balance Sheet as at that date and the Reports		
2	To appoint a Director in the place of Mrs. PhaniAnupamaVankineni (DIN:00935032) who retires by rotation and being, offers herself for reappointment		

Signed this day of September, 2018.

Signature of shareholder: _____



NOTE:

1. 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.
2. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

Form No.MGT-12**POLLING PAPER**

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration Rules, 2014)

CIN	L15490AP1995PLC088116		
Name of the Company	DILIGENT INDUSTRIES LIMITED		
Registered Office	DwarkaThirumala Road, Denduluru Village & Mandal, West Godavari, Andhra Peadesh -534432		
Name of the member(s)			
Registered Address			
E-mail Id			
Folio No./Client ID		DP ID	
Number of Equity shares held			

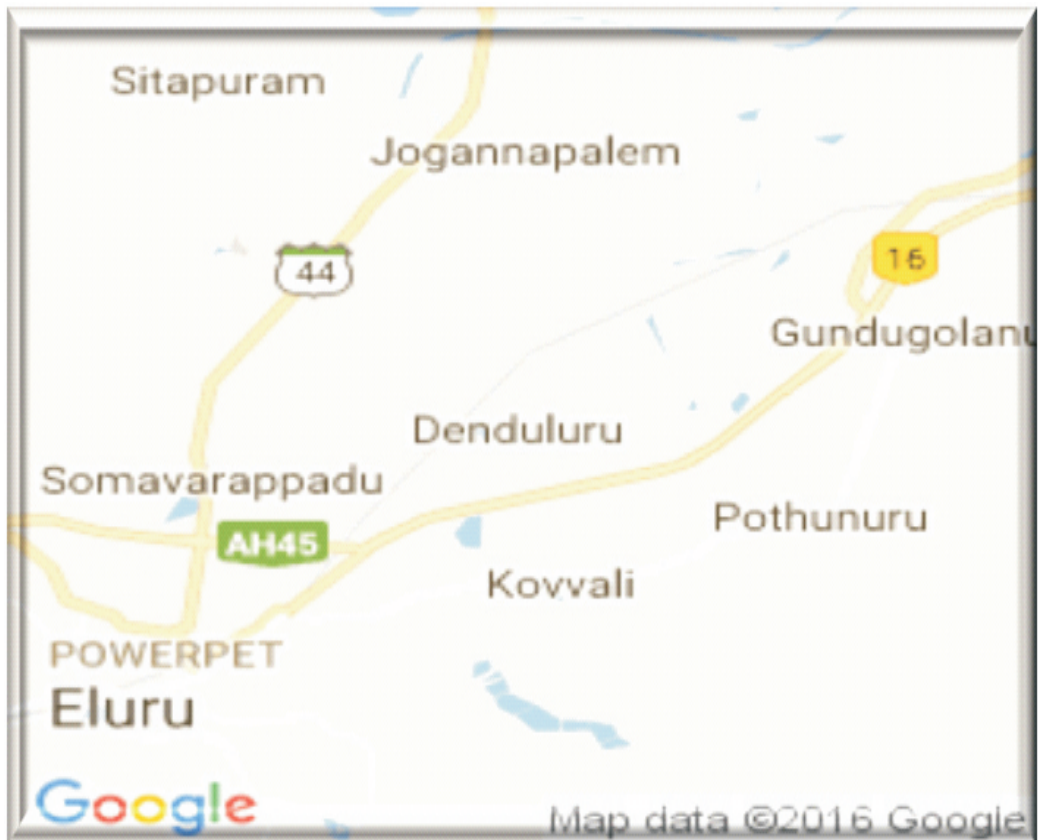
I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Resolution Number	Description	Optional (“)	
		For	Against
Ordinary Business			
1	Adoption of Standalone Financial statements for the financial year ended 31 st March, 2018, the Balance Sheet as at that date and the Reports		
2	To appoint a Director in the place of Mrs. PhaniAnupamaVankineni (DIN:00935032) who retires by rotation and being, offers herself for reappointment.		

Place:

Date:

(Signature of the Shareholder)



Route Map to AGM

If undelivered, deliver to:
DILIGENT INDUSTRIES LIMITED
DwarkaThirumala Road,
Denduluru Village and Mandal,
West Godavari -534 432, A.P,