

**21st
ANNUAL REPORT
2014-2015**

DILIGENT INDUSTRIES LIMITED

21st Annual General Meeting

29th September 2015

at 02:00 PM

Dwarka Thirumala Road, Denduluru Village and Mandal,
West Godavari-534 432, A.P,

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Board of Directors

Mr. BHANU PRAKASH VANKINENI	: Chairman and Managing Director
Mr. KIRANKUMAR VANKINENI	: Director
Mrs. PHANI ANUPAMA VANKINENI	: Director
Mr. SRINIVAS BABU EDUPUGANTI	: Independent Director
Mr. K VISWESWAR RAO	: Independent Director
Mr. V.V.VINOD KUMAR	: Independent Director

Board Committees

Audit Committee

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

Nomination & Remuneration Committee

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

Stakeholders Relationship Committee

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

Bankers

Indian Bank
R.R Pet, Eluru,
Andhra Pradesh

Registrars & Share Transfer Agent

M/S VENTURE CAPITAL AND CORPORATE
INVESTMENTS PRIVATE LIMITED
12-10-167, harat Nagar,
Hyderabad -500 018
Email: info@vccipl.com
Website: www.vccipl.com

Auditors

M/s Ramasamy Koteswara Rao & Co
Chartered Accountants
Plot No: 238/A, 1st Floor, M.L.A Colony
Road No.12, Banjara Hills,
Hyderabad – 500 034.

Registered Office

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

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the members of the Company will be held on Tuesday the 29th day of September, 2015 at 2.00 PM at Registered Office of the Company at Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari -534 432, A.P, to transact the following items of business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Profit & Loss Account for the financial year ended on that date together, with the report of the Board of Directors and Auditors thereon.**
- 2. To appoint a Director in place Mrs.Phani Anupama Vankineni(DIN :00935032) who retires by rotation and being, offers herself for reappointment.**
- 3. To Ratify the appointment of Statutory Auditor and fix their remuneration, by passing the following resolution with or without modification(s) as an Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 139, of the Companies Act, 2013, and the Rules made there-under and pursuant to the recommendation of audit committee, the consent of the members of the company be and is hereby accorded to ratify the appointment of M/s. Ramasamy Koteswara Rao & co, Chartered Accountants, (Registration No. 010396S), Hyderabad, who has been appointed as statutory auditors of the company in the last Annual General Meeting for a period of 3 years, subject to ratification by the members at every Annual General Meeting, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2016.”

SPECIAL BUSINESS:

- 4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendments thereto or re-enactment thereof) and subject to such approvals, consents, permissions and sanctions, if any, as may be required from any authority and pursuant to Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for sub-dividing the equity shares of the Company, including the paid-up shares, such that each existing equity share of face value of Rs. 10/- (Rupees Ten) each be sub-divided into TWO equity shares of the face value of Re.5/- (Rupees Five) each.”

“FURTHER THAT the Memorandum of Association of the Company be altered by substituting the existing clause V with the following new clause.

V. The Authorised Share Capital of the Company is Rs.12,00,00,000/- (Rupees Twelve Crores Only) divided into 2,40,00,000/- (Two Crores Forty Lakh Only) Equity Shares of Rs.5/- (Rupees Five Only) each. With power to increase, reduce alter modify the share capital of the Company.

“FURTHER THAT pursuant to the sub-division of the equity shares of the Company, the Authorized, issued, subscribed and paid up equity shares of face value of Rs.10 /- (Rupees Ten) each, shall stand sub-divided into Two equity shares of Re 5/- (Rupees Five) each, fully paid-up.”

“FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do, perform and execute all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give effect to this resolution including but not limited to fixing of the Record Date as per the requirements of the Listing Agreement, execution of all necessary documents with the Stock Exchanges and the Depositories and/or any other relevant statutory authority, if any, cancellation or rectification of the existing physical share certificates in lieu of the old certificates and in case of shares held in dematerialized form, the sub-divided equity shares be credited to the respective dematerialization accounts of the beneficiaries in lieu of the existing equity shares held by them and to settle any question or difficulty that may arise with regard to the sub-division of the equity shares as aforesaid or for any matters connected herewith or incidental hereto.”

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

Date: 14-08-2015
Place: Denduluru

**Sd/-
MANAGING DIRECTOR**

DILIGENT INDUSTRIES LIMITED

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.
- 2 Proxy forms in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting.
- 3 The Share Transfer Register and the Register of Members of the Company will remain closed from 22-09-2015 to 29-09-2015 (both days inclusive).
- 4 M/s. Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad-50001 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, 2015 at 9.00 AM and ends on 28th September, 2015 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, 2015, 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.

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	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 8digits 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. 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 t 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).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <DILIGENT INDUSTRIES LIMITED> on which you choose to vote.

(xii) 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.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) 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.

(xviii) 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.

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- 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.
- (xix) 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. That the Company is providing facility for voting by electronic means and the business may be transacted through such voting.
 12. That the facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 13. That the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 14. 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.
 15. 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.
 16. Compliance Officer of the Company will address all the grievances in relation to this annual general meeting including e-voting. The contact details are Email:diligentinvestors@gmail.com.
 17. 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

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

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

Item No.4:

The equity shares of the Company are listed on BSE Limited (BSE) and are actively traded on the said exchange. In order to improve the liquidity of the Company's shares in the stock market, the Board of Directors of the Company (“the Board”) have recommended the sub-division of the nominal value of equity shares of Rs.10/- each into smaller denomination of Rs.5/- each for the consideration and approval of Members.

Accordingly each equity share of the Company of nominal value of Rs.10/- each existing on the record date shall stand sub-divided into TWO equity shares of nominal value of Rs.5/- each.

The record date for sub division of equity shares would be decided by the Board after the approval of members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

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

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

Date: 14-08-2015
Place: Denduluru

Sd/
MANAGING DIRECTOR

DILIGENT INDUSTRIES LIMITED**Annexure A**

Details of Directors as on March 31, 2015 seeking appointment/ re-appointment at the Annual General Meeting. (Pursuant to Clause 49(VIII)(E)(1) of the Listing Agreement)

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 handling various activities of the company effectively with her vast experience and expertise. Hailing from the science background she understood the geographical advantage she could get for the extraction of the rice brawn 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- brawn 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 March 31,2015	NIL
Chairman/ Member of the Committee of the Board of Directors as on March 31, 2015 .	NIL
Chairman/Member of the Committee of Directors of other companies in which he is a director as on March 31, 2015	NIL
a) Audit Committee	NIL
b) Stakeholders' Relationship Committee	NIL
c) Nomination and Remuneration Committee	NIL
Number of shares held in the Company as on March 31, 2015.	3,69,200

Note:

@ This does not include position in foreign companies, position as an advisory board member and position in companies under Section 8 of Companies Act, 2013.

DIRECTOR'S REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting herewith the 21st Annual Report on the business of Your Company together with the Audited Accounts for the financial year ended 31st March, 2015.

FINANCIAL RESULTS**(Amount in Rs.)**

PARTICULARS	Financial Year 2014-15	Financial Year 2013-14
TOTAL INCOME	84,34,42,264	41,08,39,503
TOTAL EXPENDITURE	81,17,90,475	39,21,67,486
Profit/(Loss) before Depreciation & Financial Charges	3,16,51,789	1,86,72,017
Depreciation	45,29,825	51,51,627
Financial Charges	2,34,65,521	1,86,67,382
Profit/Loss Before Tax	36,56,443	(51,46,992)
Prior period items	-	-
Provision for tax	-	-
Deferred tax	49,83,987	(31,74,925)
NET PROFIT/(LOSS)	(13,27,543)	(19,72,068)

REVIEW OF OPERATIONS:

During the year under review the gross sales registered a growth of more than 105%. With a view to get hold, stabilize, compete increase the Company's presence in the market initially the Company is not concentrating on margins. The move would certainly create good presence and name to the Company which would enable the Company in future to generate good income.

DIVIDEND:

In the absence of profits, the directors of your Company do not recommend any dividend for the Financial Year 2014-15.

TRANSFER TO RESERVES:

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

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

Mrs. Phani Anupama Vankineni, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

During the year under review Mrs. Jonnada Vaghira Kumari ceased to be the Company Secretary of the Company w.e.f 30th September, 2014.

AUDITORS

At the Annual General Meeting held on September 30, 2014, M/s. Ramasamy Koteswara Rao & co, Chartered Accountants, (Registration No. 010396S), Hyderabad, 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 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditor shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Ramasamy Koteswara Rao & co, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

DILIGENT INDUSTRIES LIMITED

Secretarial Auditor:

P.S.Rao & Associates, Practicing Company Secretaries, was appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules there-under. The secretarial audit report for FY 2014-15 forms part of the Annual Report as **Annexure-1** to the Board's report.

The Board has appointed P.S.Rao & Associates, Practicing Company Secretaries, as secretarial auditors of the Company for the financial year 2015-16.

DIRECTORS' RESPONSES ON THE QUALIFICATIONS MADE BY THE SECRETARIAL AUDITORS IN THEIR REPORT:

With regard to the qualification raised in the Secretarial Audit Report with regard to non-appointment of CFO & Company Secretary, your Company has made all possible sincere and valid efforts to appoint Company Secretary, subsequent to Mrs. Jonnada Vaghira Kumari cessation on 30th September, 2014, but none were ready to work with your Company, as the registered office of the Company is situated at a small village near Eluru Town. Your Company is constantly trying to fill the post(s) of Key Managerial Personnel and is hoping that its efforts to comply with the statutory requirement would be fruitful in the days to come.

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.

None of the independent directors are due for re-appointment

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.

Various Audit Systems in the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, 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 49 of the Listing Agreement 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 of the Company is enclosed herewith as **Annexure -2**.

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

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, 2015 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, 2015 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 - 3**.

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 - 4**.

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 Listing Agreement with Stock Exchanges. The details of the Constitution are mentioned in Corporate Governance Report, which forms part of this Annual Report.

Corporate Governance Report

Your Company has complied with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges; Report on Corporate Governance including Auditor's Certificate on compliance with the code of Corporate Governance specified under the said Clause forms part of this report.

Management Discussion and Analysis

A brief note on the Management discussion and analysis for the year is annexed as part of this report

Vigil Mechanism:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act , 2013 and Clause 49 of the Listing Agreement 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 – 5**.

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 of Rs. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh 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.

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 Note No. a of Notes to Fancial Statements of the Company for the financial year ended 31st March, 2015. 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 – 6**.

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.

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.

For and on behalf of the board

Date: 14.08.2015
Place: Denduluru

**Sd/-
Chairman & Managing Director**

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]

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2015

To
The Members
Diligent Industries Limited
Eluru – 534 432

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, 2015 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:

1. 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, 2015 according to the provisions of:
 - a) The Companies Act, 2013 (the Act) (to the extent applicable) and the Rules made under that Act;
 - b) The Companies Act, 1956, and the Rules made under that Act (To the extent Applicable);
 - c) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - d) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - e) Listing Agreements entered with the Stock Exchanges;
 - f) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (i) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (iii) Securities and Exchange Board of India (Depositories and Participants) regulations, 1996;
2. 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;
 - (c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

DILIGENT INDUSTRIES LIMITED

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) Cotton Copra and Vegetable Oils Cess (Abolition) Act, 1987;
- c) Food Safety and Standards Act, 2006.
- d) Indian Boilers Act, 1923.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited (BSE);

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;

- b) Key Managerial Persons i.e. Company Secretary was not appointed subsequent to 30th September, 2014 and CFO was not appointed for the financial year ended 2014-15.

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.

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.

Date: 14-08-2015
Place: Denduluru

For P.S. Rao & Associates
Company Secretaries

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

NOMINATION AND REMUNERATION POLICY**(a) INTRODUCTION**

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of Diligent Industries Limited (the Company) is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Agreement as amended from time to time, this policy on nomination and remuneration of Directors (including non-executive directors) on the Board of Directors, the Key Managerial Personnel (KMP) and Senior Management has been formulated by the Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

i) OBJECTIVE OF THE POLICY

- a. The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent director(s) on the Board, KMP(s) and the Senior Management Personnel of the quality required, Diligent Industries allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:
 - ii. guiding the Board in relation to appointment and removal of Director(s), Key Managerial Personnel and Senior Management;
 - ii. evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
 - iii. recommending to the Board the remuneration payable to the Director(s) and setting forth a policy for determining remuneration payable to KMP and Senior Management Personnel.
- b. While determining the remuneration for the Director(s) (including non-executive directors) and KMPs and Senior Management Personnel, regard should be had to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.
- c. While designing the remuneration package it should be ensured:
 - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;
 - ii. there is a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- d. Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.
- e. The Committee may consult with the chairman of the Board as it deems appropriate.

The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 (“Act”) (including Section 178 thereof), rules framed there under and clause 49 of the Listing Agreement including, inter-alia, principles pertaining to determining qualifications, positives attributes, integrity and independence.

In this context, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors through circulation on 08th December, 2014.

● EFFECTIVE DATE

This policy shall be effective from the date of its adoption by the Board.

(a) DEFINITIONS

- a. In this Policy unless the context otherwise requires:
- I. **'Board of Directors' or 'Board'**, in relation to the Company, means the collective body of the directors of the Company.
 - ii. **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
 - iii. **'Company'** means "DILIGENT INDUSTRIES LIMITED".
 - iv. **'Independent Director'** means a director referred to in Section 149(6) of the Companies Act, 2013 read with clause 49 of the Listing Agreement.
 - v. **'Key Managerial Personnel'** (KMP) shall have the meaning ascribed to it in the Act and the Rules made thereunder.
 - vi. **'Non-Executive Directors'** includes Independent Directors.
 - vii. **'Policy'** means Nomination and Remuneration policy.
 - viii. **'Senior Management Personnel'** for this purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional heads.
- b. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

(b) APPLICABILITY

This Policy is applicable to:

1. Directors, including Non- Executive Directors
2. Key Managerial Personnel
3. Senior Management Personnel

(g) MEMBERSHIP

- a. The Committee shall consist of such number of directors as is required under applicable laws.
- b. Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.
- c. Term of the Committee shall be continuous unless terminated by the Board of Directors.

(h) CHAIRMAN

- a. Chairman of the Committee shall be an Independent Director.
- b. Chairperson of the Company (whether executive or non executive) may be appointed as a member of the Committee but shall not be the Chairman of the Committee.
- c. Chairman of the Nomination and Remuneration Committee meeting shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

(I) FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such intervals as may be required.

(j) COMMITTEE MEMBERS' INTERESTS

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

(k) SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

(l) QUORUM

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater.

(m) VOTING

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

A) RESPONSIBILITY OF THE COMMITTEE

- a. The Committee is responsible for:
 - i. formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
 - ii. advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non- Executive Directors), KMPs and the Senior Management;
 - iii. monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management;
 - iv. monitoring and evaluating the application of this Policy;
 - v. monitoring and evaluating current remuneration structures and levels in the Company; and
 - vi. any other responsibility as determined by the Board.

B) APPOINTMENT OF DIRECTORS, KMP OR SENIOR MANAGEMENT PERSONNEL

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and/or Senior Management Personnel.
- ii. A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- iii. Appointment of Directors, KMPs and Senior Management Personnel is subject to compliance of provisions of the Companies Act, 2013 and compliance of clause 49 of the Listing Agreement.
- iv. The appointment of a Director or a KMP, as recommended by the Nomination and Remuneration Committee further requires the approval of the Board.

C) REMUNERATION

A. Remuneration to Executive Directors, Directors other than Executive Director:

- a. The remuneration/ compensation/ commission etc. to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b. The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
 - i. Increments to the existing remuneration/ compensation structure of Directors shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors.
 - ii. Where any insurance is taken by the Company on behalf of its Directors for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

3. Remuneration to Executive Director

Fixed pay:

- a. Executive Director(s) shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- b. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board in the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Variable components:

3. The Executive Director(s) may be paid performance linked commission within the overall limits as approved by the shareholders.

Remuneration to Directors other than Executive Director:**Sitting Fees:**

1. The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

a. Remuneration to KMP and Senior Management Personnel:

- i. The remuneration payable to KMP and Senior Management Personnel including their increments will be determined by the Managing Director and recommend to the Nomination and Remuneration Committee for approval.
- ii. Where any insurance is taken by the Company on behalf of its KMP and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

iii. Remuneration:**1. Fixed pay:**

- i. KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- ii. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Committee.

b. Variable components:

- i. Based on the performance KMP and Senior Management Personnel will be paid incentives.

ii. POLICY ON BOARD DIVERSITY

- a. The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like [production, management, quality assurance, finance, sales and marketing, research and development, Human Resources etc] or as may be considered appropriate.
- b. The Board shall have at least one Board member who has accounting or related financial management expertise.

(a) REMOVAL

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director(s), KMP(s) and Senior Management subject to the provisions and compliance of the applicable Act, rules and regulations, if any.

1. DISCLOSURE OF INFORMATION

This Policy shall be disclosed in the Board's report.

2. DEVIATION FROM THE POLICY

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

1. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31-03-2015

]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.
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer	M/s. Venture Capital And Corporate Investments Pvt.Ltd., 12-10-167,Bharatnagar,Hyderabad-500018.
Agent, if any	NA

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No	Name and Address of The company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	-	-	-	-	-

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**ii) Category-wise Share Holding**

CATEGORY OF Shareholders	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	7436000	--	7436000	65.02	7013500	--	7013500	61.33	(3.69)
Subtotal (A)(1):-	7436000	--	7436000	65.02	7013500	--	7013500	61.33	(3.69)
(2) Foreign	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	7436000	---	7436000	65.02	7013500	---	7013500	61.33	(3.69)

DILIGENT INDUSTRIES LIMITED

B. Public Shareholding									
1. Institutions	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	--	--	--	--	--	--	--	--	--
2. NonInstitutions									
a) Bodies Corp.	10746	485200	495946	4.34	116663	10200	126863	1.11	(3.23)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	224226	870720	1094946	9.57	206634	716320	922954	8.07	(1.5)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2383028	25000	2408028	21.06	2839372	470000	3309372	28.94	7.88
c) Others	--	--	--	--	--	--	--	--	--
-Directors	--	--	--	--	--	--	--	--	--
-Trust	--	--	--	--	5	--	5	0.00	0.00
-F.C.B	--	--	--	--	--	--	--	--	--
-Non-resident Indians	--	--	--	--	--	--	--	--	--
-HUF	1080		1080	0.01	63306	--	63306	0.55	0.54
-Clearing members									
Sub-total (B)(2):-	2619080	1380920	4000000	34.98	3225980	1196520	4422500	38.67	3.69
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2619080	1380920	4000000	34.98	3225980	1196520	4422500	38.67	3.69
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	10055080	1380920	11436000	100.00	10239480	1196520	11436000	100.00	3.69

(ii) Shareholding of Promoters

S.No	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	4284800	37.47	0	4284800	37.47	0	--
2	VANKINENI PHANI ANUPAMA	369200	3.23	0	369200	3.23	0	--
3	VANKINENI RATNA KUMARI	1261000	11.03	0	1261000	11.03	0	--
4	VANKINENI KIRAN KUMAR	422500	3.69	0	422500	3.69	0	--
5	VANKINENI VIJAYALAKSHMI	214500	1.88	0	214500	1.88	0	--
6	VANKINENI PADMA KUMARI	39000	0.34	0	39000	0.34	0	--
7	KALAGARA SAVITHRI	422500	3.69	0	422500	3.69	0	--
8	GARAPATI GANGARAM CHOWDARY	422500	3.69	0	--	--	0	(3.69)
	TOTAL	7436000	65.02	0	20451346	61.33	0	(3.69)

(iii) Change in Promoters' Shareholding: NO CHANGE

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
--	--	--	--	--	--

DILIGENT INDUSTRIES LIMITED**(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	900000	7.87	900000 900000	7.87
2	CHINTAMANENI NAGA JYOTHI At the beginning of the year At the end of the year	248900	2.18	248900 248900	2.18
3	PARVATANENI SATYANARAYANA At the beginning of the year At the end of the year	187700	1.64	187700 187700	1.64
4	KISHORE BABU SAJJA At the beginning of the year At the end of the year	150000	1.31	150000 150000	1.31
5	SAJJA ROHIT At the beginning of the year At the end of the year	125000	1.09	125000 125000	1.09
6	SAJJA VIGNATHA At the beginning of the year At the end of the year	125000	1.09	125000 125000	1.09
7	GARAPATI GANGARAM CHOWDARY At the beginning of the year At the end of the year	422500	3.69	422500	3.69

Note: Promoters holding 4, 22,500 are transferred to public as they do not want to act as promoters or PACs

(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	4284800	37.47	4284800 4284800	37.47
2	VANKINENI PHANI ANUPAMA At the beginning of the year At the end of the year	369200	3.23	369200 369200	3.23
3	VANKINENI KIRAN KUMAR At the beginning of the year At the end of the year	422500	3.69	422500	3.69

IV. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1129.67	356.67	-	1486.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1129.67	356.67	-	1486.34
Change in Indebtedness during the financial year				
• Addition	169.81	71.3	-	241.11
• Reduction	-	72.7	-	(72.70)
Net Change	169.81	(1.4)	-	168.41
Indebtedness at the end of the financial year				
i) Principal Amount	1299.48	355.27	-	1654.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1299.48	355.27	-	1654.75

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD	Total Amount	Name of ED	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	Vankineni Bhanu Prakash	15,00,000	Vankineni Kiran Kumar	4,80,000
			--		--
			--		--
2.	Stock Option	--	--		--
3.	Sweat Equity	--	--		--
4.	Commission - as % of profit - others, specify...	--	--		--
5.	Others, please specify	--	--		--
	Total (A)		15,00,000		4,80,000

B. Remuneration to other directors:

S.No	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	K.Visweswara Rao V.Mallikharjuna Rao Ch.D.V.V Prasada Rao	25,000 25,000 25,000
2.	Total (1)		75,000
	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	--	--
	Total (2)	--	--
	Total (B)=(1+2)		
	Total Managerial Remuneration		75,000

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

S.No	Particulars of Remuneration	Name of KMP	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	Jonnada Vaghira Kumari	72,000 -- --
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - others, specify...	--	--
5.	Others, please specify	--	--
Total (A)		--	72,000

VI. 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	--	--	--	--	--

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 utilisation of energy and regular monitoring of its consumption etc.

The details of the Consumption for 2014-15 are as follows:

S.No.	Particulars	Quantity	Total Amount (in Rs.)
1	Husk	213 M.T	5,55,759
2	Coal consumed	326 M.T	8,70,078
3	Diesel	-	11,17,557

(B) TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:

The Company has developed processes which has already been absorbed and adapted.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Product improvement, cost reduction and product development.

(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

- a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
- i) The percentage increase in remuneration of each Director and Chief Financial Officer during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 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	The percentage increase in the median remuneration of employees in the financial year
1.	Vankineni Bhanu Prakash	15.57x	NIL	NIL
2.	Vankineni Kiran Kumar	4.98x	NIL	NIL

- ii) The median remuneration of employees of the Company during the financial year was Rs.96,350/-
- iii) In the financial year, there was an increase of NIL% in the median remuneration of employees;
- iv) There were 41 permanent employees on the rolls of Company as on March 31, 2015;
- v)
 - a) Variations in the market capitalization of the Company: The market capitalization as on March 31, 2015 was Rs. 104.58 crore
 - b) Price Earnings ratio of the Company was -762.08 as at March 31, 2015 and was -139.76 as at March 31, 2014.
 - c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year-

The Company had come out with initial public offer (IPO) in 1995. An amount of Rs.10 invested in the said IPO would be worth Rs.91.45 as on March 31, 2015 indicating a Compounded Annual Growth Rate of 12% (approximately). This is excluding the dividend accrued thereon.

- vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was NIL % whereas the decrease/ increase in the managerial remuneration for the same financial year was NIL %.
- vii) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- viii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- ix) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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
-	-	-	-	-	-	-	-	-	-	-

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, 2015, 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)
Remuneration:				
1. Vankineni Bhanu Prakash	Managing Director	As per the terms and conditions of appointment	Not Applicable	15.00
2. Vankineni Kiran Kumar	Executive Director			4.8
Interest:				
1. Vankineni Bhanu Prakash	Managing Director	Ongoing	Not Applicable	51.57
2. Vankinei Phani Anupama	Executive Director	Ongoing		7.07

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

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

II. Opportunities, Threats, Risks and Concerns:**a) Opportunities**

- i. Continuous growing domestic demand
- ii. Short supply from domestic market
- iii. Wide market

b) Threats, Risks and & Concerns

- i. Cheaper Imports
- ii. Government Regulations
- iii. Short supply of raw-materials

III. Risk assessment and Control:

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

IV. Internal Control systems and their adequacy:

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

V. Financial Performance:

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

VI. Human Resources Development:

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

VII. Cautionary Statement:

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

For and on behalf of the board

Date: 14-08- 2015
Place: Denduluru

**Sd/-
Vankineni Bhanu Prakash**

CORPORATE GOVERNANCE REPORT
(As required under Clause 49 of the listing agreement)

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

1. CORPORATE GOVERNANCE PHILOSOPHY

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

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

2. BOARD OF DIRECTORS

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

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

All the Directors on the Board of the Company have made necessary declarations/disclosures regarding their other Directorships along with Committee positions held by them in other Companies. During the year under review Five (5) Board Meetings were held on **30.05.2014, 31.07.2014, 13.08.2014, 14.11.2014 and 14.02.2015**. The maximum gap between two consecutive meetings did not exceed four months. The details of the meetings held are as follows

Name of the Director	Category	No of Board Meetings during the Year 2014-2015 and attendance		Attendance at last AGM 30-09-2014	@No of Directorships held in other Companies	#No of Memberships held in Committees
		Held	Attended			
V. Bhanu Prakash	Executive Director	5	5	Yes	-	NIL
K. Visweswar Rao	Independent Director	5	5	Yes	1	2
V. Phani Anupama	Executive Director	5	5	Yes	-	NIL
Kirankumar Vankineni	Executive Director	5	5	Yes	-	NIL
V.V.Vinod Kumar	Independent Director	5	4	Yes	2	6
Srinivas Babu Edupuganti	Independent Director	5	3	Yes	-	NIL

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

Only Membership of Audit and Stakeholder Relationship Committees are considered.

COMMITTEES OF DIRECTORS**Audit Committee**

The Company constituted a Qualified and Independent Audit Committee comprising of three Non-Executive Independent Directors in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under Clause 49 of Listing Agreement 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. Srinivas Babu	Chairman	4	4
2	K. Visweswar Rao	Member	4	4
3	V. Bhanu Prakash	Member	4	4

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

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

The Audit Committee meetings were held during the year under review on the following date's **30.05.2014, 13.08.2014, 14.11.2014 and 14.02.2015**. 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	Member	2	2

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	15.00
Allowances, Perquisites & others	-
Commission	-
Company's Contribution to PF	-
Total	15.00

DILIGENT INDUSTRIES LIMITED

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 31-03-2015
K. Visweswar Rao	Independent Director	25,000	NIL
V.V.Vinod Kumar	Independent Director	-	NIL
E.Srinivas Babu	Independent Director	-	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
E.Srinivas Babu	Independent	Chairman
V.V.Vinod Kumar	Independent	Member
K. Visweswar Rao	Independent	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 49 of the Listing Agreement with Stock Exchanges, the Board has authorized the Compliance Officer to approve the share transfers/transmissions and comply with other formalities in relation thereto. All investor's complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement.

There were no pending share transfers and un-resolved shareholders' grievances pertaining to the Financial Year ended 31st March, 2015.

D. 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 31 st 2014	30 th September, 2014.	Dwarka T hirimala Road, Denduluru Village and Mandal, West Godavari – 534 432, A.P	3.00 PM	1. Re-appointment and to fix Remuneration of Mr. V. Bahni Prakash As Managing Director of the Company. 2. Appointment and To fix Remuneration of Mr. V. Kiran Kumar as Executive Director of the Company.
March 31 st 2013	28 th September, 2013.	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri, Hyderabad.	11.30 AM	No Special Resolution
March 31 st 2012	29 th September, 2012	No. -26, 16 th Cross, 5 th Phase, J P Nagar, Bangalore - 78.	11.00 AM	No Special Resolution

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

Year	Date	Special Resolutions Passed
2014-15	26-04-2014 (Postal Ballot)	Consent for shifting the registered office from H.No.6-3-348/10, Flat No.106, Nirmal Towers, Dwarkapuri Colony, Punjagutta, Hyd.-81 to Dwaraka Thirumala Road, Denduluru Village and Mandal, West Godavari District, A.P
2013-14	-	-
2012-2013	29-09-2012 (Postal Ballot)	1. Consent for alteration of objects clause of the Company. 2. Consent for shifting of registered office of the Company from the state of Karnataka to the state of Andhra Pradesh.

4. DISCLOSURES

A. Disclosures on Materially Significant Related Party Transactions

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

B. Details of Non-Compliance and Penalties

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

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

D. CEO/ CFO Certification

The Managing Director and Manager –finance (who is heading the finance functions) have certified to the Board in accordance with Clause 49 (v) of the Listing Agreement pertaining to CEO certification for the financial year ended 31st March, 2015.

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, 2015. A declaration to this effect, duly signed by the Managing Director is annexed hereto and forms part of this Report.

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

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

H. Relationship inter-se among directors

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

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

5. MEANS OF COMMUNICATION

- A. Quarterly and half-yearly reports are published in two Newspapers- one in English and one in Telugu.
- B. The financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and simultaneously displayed on the Company's website www.diligentindustries.com. The Secretarial Department serves to inform the investors by providing key and timely information like details of Directors, Financial results, Shareholding pattern, etc.
- C. The Company is also displaying official news announcements on its website www.diligentindustries.com.
- D. Management Discussion and Analysis forms part of this Annual Report.

6. GENERAL SHAREHOLDER'S INFORMATION**(iii) Annual General Meeting**

Date and Time	Tuesday, 29 th September, 2015 - 2.00 PM
Venue	Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari-534 432, A.P,
Last Date of Proxy forms submission	02.00 PM on 27.09.2015

- (iii) **Financial Year** : 1st April 2014 to 31st March 2015
- (iv) **Book Closure** : 22nd September, 2015 to 29th September, 2015
- (v) **Dividend Payment Date: N.A.**
- (vi) **Listing on Stock Exchanges** : BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.

(vii) Stock Code

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

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

(iii) 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 2014-2015 at BSE Limited are given below:

Month	Bombay Stock Exchange Limited (BSE)		
	High (Rs.)	Low (Rs.)	Volume
April, 2014	45.40	24.00	13,020
May, 2014	61.00	46.30	65,163
June, 2014	73.25	57.90	1,05,329
July, 2014	87.45	70.00	55,459
August, 2014	105.75	87.45	2,11,942
September, 2014	165.00	101.00	6,26,519
October, 2014	173.95	85.50	2,69,820
November, 2014	143.75	88.60	59,477
December, 2014	135.65	90.25	3,49,243
January, 2015	119.90	79.05	1,79,736
February, 2015	92.20	55.30	3,59,444
March, 2015	125.00	87.25	13,78,061

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

I Registrar and Share Transfer Agent

M/s. Venture Capital and Corporate Investments Private Limited,
12-10-167, Bharath Nagar,
Hyderabad - 500 018.
Tel: 040-23818475/476
Fax: 040-23868024
Email: info@vccilindia.com
Website: www.vccipl.com
The Company periodically audits the operations of share transfer agent.

I Share Transfer System

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

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

K. Distribution of Equity Shares as on 31st March, 2015

CATEGORY		No. of Shareholders	% to Shareholders	No. of Shares Held	% to Capital
From	To				
1	500	1439	72.42	363321	3.18
501	1000	371	18.67	300104	2.62
1001	2000	97	4.88	143450	1.25
2001	3000	20	1.01	48199	0.42
3001	4000	11	0.55	39981	0.35
4001	5000	4	0.22	18816	0.16
5001	10000	6	0.30	44296	0.39
10001	ABOVE	39	1.96	10477885	91.62
TOTAL		1987	100.00	11436000	100.00

L. Shareholding Pattern as on 31st March, 2015

Category	No. of Shares held	% of Capital
Indian Promoters	7013500	61.33
Banks, Financial institutions, Insurance Companies & Mutual Funds	0	0
Foreign Institutional Investors	0	0
Indian Public & HUFs	4232326	37.01
Private Corporate Bodies	126863	0.55
NRIs /OCBs/ FCBs	0	0
Others	63311	0.01
Total	11436000	100

M. Dematerialization of shares and liquidity

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) limited (CDSL) for dematerialization facility. As on 31st March, 2015, 87.93% of the Company's Equity shares are in dematerialized form. The ISIN NO./ Code for the Company's Equity Shares is INE650C01010. Shareholders can open an account with any of the depository participants registered with any of these depositories.

N. Address for Correspondence

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

For and on behalf of the Board

Date :14.08.2015
Place: Denduluru

Sd/-
Bhanu Prakash Vankineni
Chairman

Managing Director's and Finance Manager's Certification

We have reviewed the financial statements read with the cash flow statement of Diligent Industries Limited for the year ended March 31st, 2015 and that to the best of our knowledge and belief, we state that;

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

**Sd/-
Sr. Mgr. Finance**

**Sd/-
Managing Director**

-
- Date:13-05-2015
- Place:Denduluru

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 2014-15

Date: 14-08-2015
Place: Denduluru

**Sd/-
Managing Director**

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,

The Member's of Diligent Industries Ltd.,

We have examined the compliance of Corporate Governance by Diligent Industries Ltd., (the “company”) for the financial year ended on 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the said company with the concerned Stock Exchange.

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

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

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

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

Date: 13-05-2015
Place: Hyderabad

Sd/-
CA Murali Krishna Reddy Telluri
Partner
M.No.223022

INDEPENDENT AUDITOR'S REPORT

To the Members,

Diligent Industries Limited Report on the Financial Statements

We have audited the accompanying financial statements of **Diligent Industries Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow statement for the year ended and summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

The company's board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014, This responsibility also includes the maintenance of adequate records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing standards and matters which are required to be included in audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing Specified under sec 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 state of affairs of the company as at 31st March, 2015, its Loss and its cash flows for the year ended on the date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies(Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, we give in the annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company does not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which are required to be transferred to the Investor Education and protection fund by the company

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

Place: Hyderabad
Date: 13-05-2015

Sd/-
CA Murali Krishna Reddy Telluri
Partner
M.No.223022

The Annexure referred to in our Independent Auditor's Report to the members of the company on the financial statements for the year ended March 31, 2015, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies have been noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.
- ii) (a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventories as compared to book records.
- iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, requirements of clauses (a), (b), of paragraph 3(iii) of the order are not applicable.

- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of the audit we have not observed any major weaknesses in the internal control system.
- v) According to the explanations given to us, the company has not accepted any deposits from Public.
- vi) We have broadly reviewed the books of account relating to material, labour and other items of cost maintained by the Company prescribed by the Central Government for the maintenance of cost records under section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) (a) According to the records of the company and explanations given to us and on the basis of our examination of the records of the company, undisputed statutory dues including provident fund, Income - tax, Value Added Tax, and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities. Further, as explained to us, no undisputed statutory dues were in arrears as at 31st March 2015 for a period of more than 6 months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of income-tax, sales-tax and cess which have not been deposited on account of any dispute.
- (c) According to the information and explanation given to us there were no amount transferred to investor education and protection fund.
- viii) The company has accumulated losses as at the end of the financial year and its accumulated losses are less than fifty percent of its net worth and the company has not incurred any cash losses during the current financial year covered by our audit and in the immediately preceding financial year.
- ix) Based on our audit procedures and on the information and explanation given to us, we are of the opinion the company has not defaulted in repayment of dues to bank during the year.
- x) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xi) According to the information and explanations given to us, no term loans were raised during the year.
- xii) Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

Date: 13-05-2015
Place: Hyderabad

Sd/-
CA Murali Krishna Reddy Telluri
Partner
M.No.223022

Balance Sheet as at March 31, 2015

(All amounts in Rupees except for share data or otherwise stated)

(Amount in Rs.)

Particulars	Note No	2014-15	2013-14
EQUITY and LIABILITIES			
Shareholders' Funds			
Share Capital	2	11,43,60,000	11,43,60,000
Reserves and Surplus	3	(1,12,61,595)	(99,34,051)
		10,30,98,405	10,44,25,949
Non Current Liabilities			
Long Term Borrowings	4	3,55,26,826	3,56,66,826
Deferred Tax Liabilities(Net)		14,31,712	-
		3,69,58,538	3,56,66,826
Current Liabilities			
Short Term Borrowings	5	12,99,47,915	11,29,66,669
Trade Payables	6	42,59,50,613	8,77,76,712
Other Current Liabilities	7	1,17,10,405	17,40,655
Short Term Provisions	8	6,96,735	-
TOTAL		70,83,62,612	34,25,76,811
ASSETS			
Non-Current Assets			
(a) Fixed Assets			
Tangible Assets	9	8,76,30,866	9,21,22,548
(b) Deferred Tax Assets (Net)		-	35,52,275
(c') Long Term Loans and Advances	10	71,89,867	71,89,867
		9,48,20,733	10,28,64,690
Current Assets			
Investments		-	27,10,296
Inventories	11	5,74,06,232	8,19,32,046
Trade Receivables	12	54,37,16,141	13,98,98,688
Cash and Bank Balances	13	23,92,691	26,11,014
Short Term Loans and Advances	14	68,13,222	66,22,721
Other Current Assets	15	32,13,594	59,37,356
TOTAL		70,83,62,612	34,25,76,811

Summary of significant accounting policies 1.1

As per our report of even date

For Ramasamy Koteswara Rao & Co.

Chartered Accountants

Firm Registration Number :010396S

For and on behalf of the Board of Directors

Diligent Industries Limited

Sd/-

Murali Krishna Reddy Telluri

Partner

Membership No.223022

Sd/-

V Bhanu Prakash

Managing Director

Sd/-

V P Anupama

Director

Sd/-

V Kiran Kumar

Director

Date: 13th May, 2015

Place: Hyderabad

Date: 13th May, 2015

Place: Denduluru

Statement of Profit and Loss for the Year Ended March 31, 2015

(Amount in Rs.)

Particulars	Notes	2014-15	2013-14
I. INCOME			
Revenue from Operations (Gross)	16	83,88,04,378	40,70,84,911
Less: Excise Duty		-	-
Revenue from Operations (Net)		83,88,04,378	40,70,84,911
Other Income	17	46,37,887	37,54,592
Total Revenue (I)		84,34,42,265	41,08,39,503
II. EXPENSES			
Cost of Materials Consumed	18	76,11,69,918	39,01,49,184
(Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress	19	2,36,71,153	(1,78,98,996)
Depreciation and Amortisation	9	45,29,825	51,51,627
Finance Costs	20	2,34,65,521	1,86,63,889
Employee Benefits Expenses	21	49,67,318	63,53,899
Other Expenses	22	2,19,82,087	1,35,66,892
Total Expenses (II)		83,97,85,821	41,59,86,495
IV. Profit Before Tax		36,56,443	(51,46,992)
V. Tax Expense			
Current Tax		6,96,735	-
Minimum Alternate Tax credit entitlement		(6,96,735)	-
Deferred Tax Charge (Credit)		49,83,987	(31,74,925)
Total Tax Expense /(Credit)		49,83,987	(31,74,925)
VI. Profit for the year		(13,27,544)	(19,72,067)
Basic EPS		(0.11)	(0.17)

Summary of Significant Accounting Policies

1.1

As per our report of even date

For Ramasamy Koteswararao & Co.

Chartered Accountants

Firm Registration Number :010396S

Sd/-

Murali Krishna Reddy Telluri

Partner

Membership No.223022

Date: 13th May, 2015

Place: Hyderabad

For and on behalf of the Board of Directors

Diligent Industries Limited

Sd/-

V Bhanu Prakash

Managing Director

Sd/-

V P Anupama

Director

Sd/-

V Kiran Kumar

Director

Date: 13th May, 2015

Place: Denduluru

Cash Flow Statement for the year ended March 31, 2015

(All amounts in Rupees except for share data or otherwise stated)

(Amount in Rs.)

Particulars	2014-15	2013-14
Cash Flow From Operating Activities		
Profit Before Tax	36,56,443	(51,46,992)
Adjustments for:		
Depreciation and Amortisation	45,29,825	51,51,627
Amalgamation Expenses	-	32,34,300
Interest expense	2,34,65,521	1,86,63,889
Transfer from Reserve	-	(14,68,599)
Profit on sale of investments	(5,10,065)	-
Operating profit Before working capital changes	3,11,41,724	2,04,34,225
Movement In Working Capital :		
Increase in Inventories	2,45,25,814	(1,84,52,762)
Increase in Trade Receivables	(40,38,17,453)	(3,75,66,952)
Increase in Short Term Loans and Advances	(1,90,501)	75,85,203
(Decrease)/ Increase in Other Current Assets	35,58,357	26,43,025
(Decrease)/ Increase in Long term Loans and advances	-	3,572
Increase in Trade Payables	33,81,73,901	2,58,58,335
Increase / (Decrease) in Other Current Liabilities	99,69,750	(13,49,427)
Cash Generated From Operations	33,61,591	(8,44,781)
Direct Tax Paid	1,37,860	-
Net Cash Flow Operating Activities (A)	32,23,733	(8,44,781)
Cash Flow used In Investing Activities		
Purchase of Fixed Assets, Including Intangible assets, Capital Work in Progress and Capital advances	(38,142)	(3,74,368)
Proceeds from Sales of Investments	32,20,361	-
Net Cash Flow Used In Investing Activities (B)	31,82,219	(3,74,368)
Cash Flow Form Financing Activities		
Increase/(Decrease) in Long - Term Borrowings(Net)	(1,40,000)	1,49,11,893
Increase/(Decrease) in Short - Term Borrowings (Net)	1,69,81,246	32,68,891
Interest Paid	(2,34,65,521)	(1,86,63,889)
Net Cash Flow Form Financing Activities (C)	(66,24,275)	(4,83,105)
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	(2,18,325)	(17,02,254)
Cash and Cash Equivalents at the beginning of the year	26,11,014	43,13,268
Cash and Cash Equivalents at the end of the Year	23,92,691	26,11,014

As per our report of even date
For Ramasamy Koteswararao & Co.
Chartered Accountants
Firm Registration Number :010396S

Sd/-
Murali Krishna Reddy Telluri
Partner
Membership No.223022

Date: 13th May, 2015
Place: Hyderabad

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

Sd/- **V Bhanu Prakash** Managing Director
Sd/- **V P Anupama** Director

Sd/- **V Kiran Kumar**
Director

Date: 13th May, 2015
Place: Denduluru

DILIGENT INDUSTRIES LIMITED**Notes to financial statements for the year ended March 31, 2015**

(All amounts in Rupees except for share data or otherwise stated)

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

Particulars	2014-15	2013-14
a) Authorised 120,00,000 Equity shares of Rs.10/- each	12,00,00,000	12,00,00,000
b) Issued, Subscribed and Paid Up 1,14,36,000 (March 31,2014: 1,14,36,000) Equity share of Rs.10/- each fully paid up	11,43,60,000	11,43,60,000

B) Reconciliation of the number of shares outstanding in numbers

Particulars	2014-15	2013-14
(a) Opening Balance	1,14,36,000	1,14,36,000
(b) Issued During the year	-	-
(c) Cancelled during the year	-	-
(d) Closing Balance	1,14,36,000	1,14,36,000

C) Shareholders' holding more than 5 percent equity shares

Particulars	2014-15		2013-14	
	No.of shares	% of holding	No.of shares	% of holding
1. Vankineni Bhanu Prakash	4,284,800	37.47%	4,284,800	37.47%
2. Vankineni Ratna Kumari	1,261,000	11.03%	1,261,000	11.03%
3. Paturi Srinivasa Rao	900,000	7.87%	900,000	7.87%

3. Reserves and Surplus

Particulars	2014-15	2013-14
(A) Surplus Statement of profit and loss		
Opening balance	5815867	3635867
Additions during the period	-	2180000
Closing balance	5815867	5815867
(B) Capital Reserve		
Opening balance	(15749918)	(13777851)
Add : Profit for the year	(1327544)	(1972067)
Net surplus in the Statement of profit and loss	(17077462)	(15749918)
Total	(11261595)	(9934051)

4. Long Term Borrowings

Particulars	2014-15	2013-14
a) Loans and Advances from Related Parties		
Unsecured Loans	40805080	35666826
Less: Current maturities of Long term debt	(5278254)	-
Total	35526826	35666826
Name of the Related Party	Rate of Interest	Nature of Loan
Vankineni Bhanu Prakash	15%	Repayble on Demand
V Phanianupama	15%	Repayble on Demand
Total	40805080	35666826

Notes to financial statements for the year ended March 31, 2015

(All amounts in Rupees except for share data or otherwise stated)

Particulars	2014-15	2013-14
5. Short Term Borrowings		
Cash Credits Demand Loan		
Indian Rupee loans from banks (Secured)	129947915	112966669
Total	129947915	112966669
6. Trade Payables		
(Trade Payables for Goods and Services)	425603846	86120261
Creditors for expenses	346767	1656451
Total	425950613	87776712
7. Other Current Liabilities		
A.M.C.Payable	435818	89907
C.S.T.2% Payable	76642	-
Profession Tax Payable	6660	6260
Provident Fund Payable	32515	23945
T.D.S.Payable	807761	596856
Audit fee payable	172472	127472
Electricity Charges Payable	139293	310708
Current maturities of long term debt	5278254	
Advance from customers	4760990	585507
Total	11710405	1740655
8. Short Term Provisions		
Current tax	696735	-
Total	696735	-

9. Fixed Assets
FIXED ASSETS AS ON 31st MARCH, 2014

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Deletions	Additions during the year	As at 31.03.2015	As on 01.04.2014	During the period	On Deletions	As on 31.03.2015	WDV as at 31.03.2015	WDV as at 31.03.2014
Land	1540000	0	0	1540000	0	0	0	0	1540000	1540000
Building	5930000	0	0	5930000	3961240	2176085.873	0	6137325.873	53162674.13	55338760
Plant and Equipment	21448106	38142	0	21486248	4431361	1776159.062	0	6207520.062	15278727.94	17016745
Boiler	1832160	0	0	1832160	378891	151943.2177	0	530834.2177	1301325.782	1453269
Electrical Fittings	406920	0	0	406920	84151	76337.5588	0	160488.7559	246431.2441	322769
Lab Equipments	75592	0	0	75592	15632	14072.4346	0	29704.4346	45887.5654	59960
Generator	1443846	0	0	1443846	258593	114336.1058	0	372929.1058	1070916.894	1185253
Air Conditioner	113551	0	0	113551	23482	19032.64951	0	42514.64951	71036.35049	90069
Cash Counting Machine	4694	0	0	4694	971	385	0	1356	3338	3723
EPABX System	2979	0	0	2979	616	471.7619673	0	1087.761967	1891.238033	2363
Welding machine	1728	0	0	1728	357	133.1281227	0	490.1281227	1237.871877	1371
Wooden Conveyor	106882	0	0	106882	22103	8185.696923	0	30288.69692	76593.30308	84779
E.T.P. Tank	701509	0	0	701509	145072	43566.15516	0	188638.1552	512870.8448	556437
Gunny Bags Blower	24000	0	0	24000	231	1514.002022	0	1745.002022	22254.99798	23769
Euro Clean	5494	0	0	5494	916	373.0003562	0	1289.000356	4204.999644	4578
Furniture & Fixtures	318062	0	0	318062	58238	52470.78662	0	110708.7866	207353.2134	259824
Hero Hond Motor Cycle	30127	0	0	30127	5724	3493.825167	0	9217.825167	20909.17483	24403
Suzuki Motor Cycle	72200	0	0	72200	11989	6859.018924	0	18848.01892	53351.98108	60211
Suzuki Scooter	61320	0	0	61320	8062	5937.383238	0	13999.38324	47320.61676	53258
Lorry	93014	0	0	93014	21040	30003.77243	0	51043.77243	41970.22757	71974
Computers	65793	0	0	65793	21330	44284.48497	0	65614.48497	178.5150345	44463
Water Tanker	67000	0	0	67000	2429	4179.884961	0	6608.884961	60391.11504	64571
TOTAL	101574977	38142	0	101613119	9452428	4529825	0	13982253	87630866	92122549

Notes to financial statements for the year ended March 31, 2015

(All amounts in Rupees except for share data or otherwise stated)

Particulars	2014-15	2013-14
10. Long term loans and deposits		
Electricity Deposit	1187100	1187100
Gram Panchayat Deposit	87656	87656
Telephone Deposit	2750	2750
Indian Bank Deposit	62486	62486
BSE Capital Adequacy	250000	250000
BSE Membership Card	4499875	4499875
Office Lease and Advance	1100000	1100000
Total	7189867	7189867
11. Inventories		
(At lower of cost and net realisable value)		
Raw Materials	18301264.67	18203259
Finished Goods	34149895	57821048
Stores, spares and packing materials	4955072	5907739
Total	57406232	81932046
12. Trade Receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered Good	4106203	4106203
Other Receivables		
Unsecured, Considered Good	539609938	135792485
Total	543716141	139898688
13. Cash and Bank Balances		
Cash and Cash Equivalents		
On Current Accounts	165331	163070
Cash on Hand	2227360	2447944
Total	2392691	2611014
14. Short term Loans and Advances		
Other Loans and Advances	5834810	5834810
Advance Tax	50000	-
Advances to Employees	299303	356503
Prepaid Expenses	629109	431408
Total	6813222	6622721
15. Other Current Assets		
MAT Credit Entitlement	1203463	506728
T.D.S Receivable	164411	76551
VAT Credit Receivable	416379	321276
Advance to suppliers	1429341	1153046
Power & Sales Tax subsidy receivable	-	3879755
Total	3213594	5937356

DILIGENT INDUSTRIES LIMITED**Notes to financial statements for the year ended March 31, 2015**

(All amounts in Rupees except for share data or otherwise stated)

Particulars	2014-15	2013-14
16. Revenue from Operations		
Income from Revenue	838804378	407084911
Less: Excise Duty	-	-
Net Revenue from Operations (Net)	838804378	407084911
17. Other Income		
Dividend Income	23100	22000
Interest Received	107018	117749
Miscellaneous income	25035	-
Processing Charges Received	3876669	3307243
Site Rent Received	96000	96000
Surplus on Sale of Shares	510065	-
Brokerage	-	62000
Profit on sale of fixed assets	-	149600
Total	4637887	3754592
18. Cost of Materials Consumed		
Opening stock at the beginning of the year	18203260	18880957
Add : Purchases	761267923	389471486
Less : Closing stock at the end of the year	18301265	18203259
Total	761169918	390149184
19. (Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress		
Opening stock of inventories		
Finished goods	57821048	39922052
Work-in-Progress	-	-
Closing stock of inventories	57821048	39922052
Finished goods	34149895	57821048
Work-in-Progress	-	-
Total	23671153	(17898996)
20. Finance cost		
- on Bank Loans	17335408	15101227
- on borrowings from Directors	5864728	3349660
-Processing fee	265385	213002
Total	23465521	18663889
21. Employee Benefits Expenses		
Salaries, allowances and benefits to employees	2774885	3651450
Contribution to provident fund and other funds	189738	178340
Managerial remuneration	1980000	2505000
Staff welfare expenses	22695	19109
Total	4967318	6353899

Particulars	2014-15	2013-14
22. Other Expenses		
Production Expenses	990390	911968
Power and fuel	5288839	6651002
Repairs and maintenance	39465	15902
Bank Charges	55919	-
Commission	86965	596526
Office Maintenance	31913	574770
Stock Audit fee	-	11000
Cost Audit Certification fee	-	15000
Payment to Auditor :		-
As Statutory Audit fee	30000	30000
As Tax Audit fee	20000	20000
Vehicle Maintenance	278634	281458
Discounts Given	449693	1579947
Fee & Inspection charges	253442	68185
Freight Charges - Other than Railway	139401	386591
Freight Charges paid to Railway	12432952	-
Packing Material	62527	90376
Printing & Stationery	33547	38879
Telephone Charges	124217	136650
Transport Charges	44475	13938
Travelling Expenses	36472	35432
Insurance	499359	452186
Rates and Taxes	86026	40635
Rating Charges	31461	31461
Agriculture Market commission	506526	107268
Miscellaneous Expenses	67978	54885
BSE Cub Charges	10790	13488
Directors Sitting Fee	75000	107500
Stock Exchange Expenses	135956	562753
Interest on Late payment of TDS	14760	3493
Donations	110000	-
Other Expenses	45380	649146
Income Tax	-	86453
	21982087	13566892
Total	21982087	13566892

Notes to financial statements.**1. Corporate Information:**

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

2. Basis of preparation of financial Statements:

The Financial statements have been prepared under the historical cost convention on accrual basis. The mandatory applicable accounting standards in India and the provisions of the companies Act, 2013 have been followed in preparation of these financial statements.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Revised Schedule III to the Companies Act, 2013.

3. Summary of significant accounting policies**a. Use of Estimates:**

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

b. Fixed Assets:

Fixed assets are recognized at cost of acquisition and installation less accumulated depreciation. The cost comprises purchase price, freight, duties, levies, borrowing cost and directly attributable cost of bringing the assets to their working condition for intended use. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extend its estimated useful life.

c. Depreciation and Amortization:

Depreciation on fixed assets is provided on straight-line method using the lives of assets given in Schedule II of the Companies Act, 2013.

d. Inventories:

Raw materials are valued at lower of cost and net realizable value. Finished goods are valued at lower of cost and realizable value.

Net realizable value is estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale

Fixed assets are recognized at cost of acquisition and installation less accumulated depreciation. The cost comprises purchase price, freight, duties, levies, borrowing cost and directly attributable cost of bringing the assets to their working condition for intended use. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extend its estimated useful life.

e. Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

Sale of Products:

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, and excise duty.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rates.

f. Taxation:

- i) Current Tax: provision for current income tax is made on the taxable income using the applicable tax rates and tax laws.
- ii) Deferred Tax: Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent period(s) is recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognized unless there is virtual certainty with respect to the reversal of the same in future years.
- iii) Minimum Alternative Tax (MAT) credit: MAT is recognized as an asset only when and to the extent is convincing evidence that the company will pay normal income tax during the specified period in the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the ICAI. The said asset is created by way of a credit to the Statement of profit and loss and is shown as MAT credit entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of mat credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

g. Retirement Benefits:

Retirement benefits in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due.

h. Provisions and Contingent Liabilities:

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Notes to Financial Statements**a) Related Party Disclosures:****Names of related parties and description of relationship:**

Name of the party	Relationship
Key Management Personnel	
i) V.Bhanu Prakash	Managing Director
ii) V.Phani Anupama	Director
iii) V.Kiran Kumar	Director
iv) Aditya Rice Mill	Partnership firm in which relative of managing director is interested.

Transactions during the year:**Amount (Rs.)**

Particulars	Nature Of Transactions	2014-15	2013-14
V.Bhanu Prakash	Managerial Remuneration	15,00,000	20,25,000
V.Bhanu Prakash	Unsecured Loans Taken/(Repaid)	(19,40,000)	1,69,00,000
V.Bhanu Prakash	Interest Paid on Unsecured loans	51,57,573	28,89,985
V.Phani Anupama	Unsecured Loans taken	18,00,000	0
V.Phani Anupama	Interest Paid on Unsecured loans	7,07,155	4,59,675
V.Kiran Kumar	Managerial Remuneration	4,80,000	4,80,000
Adithya Rice Mill	Brawn Purchases	66,760	34,21,065
Adithya Rice Mill	Rent Received	96,000	96,000

Closing Balances-Debit/ (Credit) as on 31.03.2015

Amount (Rs.)

Particulars	2014 -15	2013 -14
Key Management Personnel		
V.Bhanu Prakash	(34890434)	(3,21,88,619)
V.Phani Anupama	(5914646)	(34,78,207)

b) Quantitative Details:

Particulars	Op.Stock	Purchase /yield	Total	Consumption	Sales	Cl.stock
	(Tonnes)	(Tonnes)	(Tonnes)	(Tonnes)	(Tonnes)	(Tonnes)
Brawn	763.583	1929.343	2692.926	2047.926	0	645.000
D.O.R.B.	102.000	0	102.000	0	1699.610	23.000
E.R.B.Oil	1131.945	0	1131.945	0	854.250	714.442
Coconut Oil Cake						
Coconut Oil	10.400	0	10.400	0	10.4000	0
D.O.Coconut cake	247.460	77.960	325.420	0	325.420	0
Total	2255.388	1929.343	3926.871	2047.926	2811.72	1383.442
	Lts.	Lts.	Lts.	Lts.	Lts.	Lts.
Hexane	54296	71939	126235	80857	0	45378
	MT.	MT.	MT.	MT.	MT.	MT.
Husk	2546.000	1427.595	3973.595	213	0	3760.595
	MT	MT	MT	MT	MT	MT
Palm Nuts	0	249.055	249.055	249.055	0	0
Palm Kernal	0	99.950	99.950	99.950	0	0
Palm Oil	0	102.340	102.340	0	102.340	0
Palm D.O.C	0	328.600	328.600	0	328.600	0
	MT.	MT.	MT.	MT.	MT.	MT.
Coal	326.000	0	326.000	326.000	0	0
	Qtls.	Qtls.	Qtls.	Qtls.	Qtls.	Qtls.
Maize	0.000	548591.410	548591.410	0	548591.410	0
Jowar	0.000	12546.65	12546.65	0	12546.65	0

c) Contingent Liabilities and Capital Commitments:

Contingent Liabilities: Nil

Capital commitments: Nil

DILIGENT INDUSTRIES LIMITED

d) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

S. No	Particulars	Amount (Rs.)	
		2014-15	2013-14
I	Net Profits Attributable to Equity Shareholders	(13,27,544)	(19,72,067)
II	Weighted Average No of Equity Shares Outstanding during the Year	1,14,36,000	1,14,36,000
	Earnings per Share (I/II)	(0.12)	(0.17)

For Ramasamy Koteswara Rao & Co.
Chartered Accountants
Firm Registration Number :010396S

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

Sd/-
Murali Krishna Reddy.Telluri
Partner
Membership No. 223022

Sd/-
V.Bhanu Prakash
Managing Director

Sd/-
V.Phani Anupama
Director

Sd/-
V Kiran Kumar
Director

Date: 13th May, 2015
Place: Hyderabad

Date:13th May, 2015
Place: Denduluru

DILIGENT INDUSTRIES LIMITED
CIN: L15490AP1995PLC088116
Registered Office: Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari, A.P - 534 432.
E-mail : diligentinvestors@gmail.com Website : www.diligentindustries.com

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING
(To be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Diligent Industries Limited.

I hereby record my presence at the 21st Annual General Meeting of the Shareholders of Diligent Industries Limited on Tuesday the 29th day of September, 2015 at 2.00 P.M.

DP ID*	Regd. Folio No.
Client ID*	No. of Shares

*Applicable if shares are held in electronic form.

Name & Address of Member

--

Signature of Shareholder/Proxy/
Representative (Please Specify)

ELECTRONIC VOTING

Electronic voting (e-voting) facility is being provided in respect of the Resolutions proposed at the 21st AGM, in accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please see Note (10) to the Notice dated 14th August, 2015 convening the AGM for the procedure with respect to e-voting.

Your e-voting user ID and password are provided below:

Electronic Voting Event Number	User ID	Password
		Use your existing password

DILIGENT INDUSTRIES LIMITED
CIN: L15490AP1995PLC088116

Registered Office: Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari, A.P – 534 432.
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	Dwarka Thirumala Road, Denduluru Village and Mandal, West Godavari, A.P – 534 432		
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 _____
- (2) Name : _____ Address : _____

 E-mail ID : _____ Signature : _____, or
 failing him _____
- (3) Name : _____ Address : _____

 E-mail ID : _____ Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 21st Annual General Meeting (AGM) of the Company to be held on Tues day the 29th day of September, 2015 at 2.00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional ()	
		For	Against
Ordinary Business			
1	Adoption of Accounts for the financial year ended 31 st March, 2015, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2	Appointment of Mrs. Vankineni Phani Anupama who retires by rotation and being eligible offers herself for re-appointment.		
3	Ratification of Appointment of M/s. M/s. Ramasamy Koteswara Rao & co ., Chartered Accountants, Registration No. 010396S, as Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.		
Special Business			
4	Approval of Sub-division of shares.		

Signed this _____ day of _____ 2015. Signature of shareholder: _____

NOTE : This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the AGM i.e. by 10.00 a.m. on 27th September,2015.

Affix
Revenue
Stamp

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