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# 12th Annual Report 2005-2006

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# N. G. INDUSTRIES LIMITED

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# N. G. Medicare

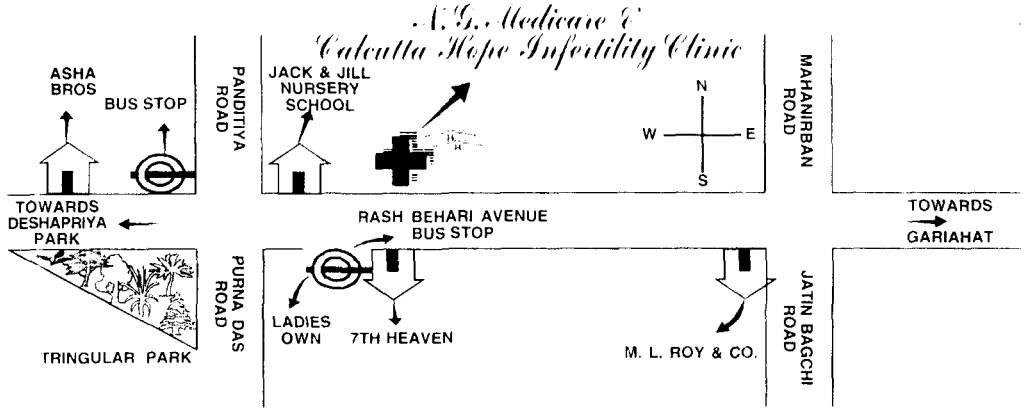
THE MEDICAL CENTRE WITH A DIFFERENCE

Where Doctors, Equipments, Technologies are all young, new and uptodate. Where expertise is precise and commitment is total. Where care and compassion is backed by corporate excellence. Where to serve is a way of life.

## NURSING HOME SERVICES AT A GLANCE

- ❑ IMAGING
  - CT Scan
  - Ultrasonography
  - Radiodiagnosis
- ❑ CARDIOLOGY
  - Colour Doppler
  - Echocardiography
  - TMT
  - Holter Monitoring
  - Lung Function Test
  - E. C. G. (3 channels)
  - 24 hrs. B. P. Monitoring
- ❑ ENDOSCOPY
  - Gastroscopy
  - Colonoscopy
  - Bronchoscopy (Flexible)
- ❑ NEUROLOGY
  - E.E.G. (21 channels)
  - NCV / EMG
- ❑ PATHOLOGY
  - FNAC & Histopathology
  - Serology
  - Microbiology
  - Endocrinology
  - Clinical Pathology
  - Cytopathology
  - Haematology
- ❑ ORTHOPAEDICS
  - Knee Clinic
  - Arthroscopy
- ❑ INFERTILITY
  - Counselling
  - Diagnostics
  - Procedures like IUI/IVF/GIFT
  - Male Infertility Procedures
  - Testicular FNAC
- ❑ SURGERY
  - Laparoscopic Surgeries
  - Endoscopic Surgeries
  - Minor Surgeries
  - I.O.L./Cataract
  - Gynaecological Surgeries
  - E.N.T. Surgeries
  - Micro Surgeries
  - Cosmetic Surgeries
- ❑ OPERATION THEATRES
  - Operation Theatres fully geared up to perform Day Care Surgeries
- ❑ INDOOR WARD
- ❑ SURGERY
  - Laparoscopic Cholecystectomy
  - Trans-Urethral Resection of Prostate

## LOCATION MAP




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# N. G. INDUSTRIES LIMITED

**BOARD OF DIRECTORS** :
Mr. Ashok Kumar Goenka, Chairman
Mr. Banwari Lal Goenka
Mr. Ashok Bhat, Whole-Time Director
Mr. Vinod Singhi
Dr. Subash R. Kamath
Mr. Raj Kumar Bajoria
Mr. Jagdish Chand Kumbhat
Mr. Rajesh Goenka, Whole-Time Director

**AUDITORS** : M/s. M. R. Singhwi & Company

**BANKERS** :
Allahabad Bank
ING Vysya Bank Ltd.
HDFC Bank Ltd.
Standard Chartered Bank

**REGISTERED OFFICE** :
17, Chittaranjan Avenue
3rd Floor
Kolkata–700 072

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**DIVISIONS** :
1. N. G. Medicare &
   Calcutta Hope Infertility Clinic
   123A, Rash Behari Avenue
   Kolkata–700 029

2. N. G. Nursing Home
   23, Southern Avenue
   Kolkata–700 026

**REGISTRARS & SHARE TRANSFER AGENTS** :
M/s. S. K. Computers
34/1A, Sudhir Chatterjee Street
Kolkata–700 006

**LISTING OF SHARES** :
1. The Calcutta Stock Exchange Association Ltd.
   7, Lyons Range, Kolkata–700 001

2. Bombay Stock Exchange Ltd.
   Phiroze Jeejeebhoy Towers
   Dalal Street, Mumbai-400 001

For N.G. INDUSTRIES LTD.

Director



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N. G. INDUSTRIES LIMITED

## NOTICE TO MEMBERS

NOTICE is hereby given that the 12th Annual General Meeting of the Members of **N. G. INDUSTRIES LTD.** will be held at the **Community Hall, Jay Jayanti Building, 2A, Mandeville Gardens, Kolkata-700 019** on Saturday, 23rd September, 2006 at 11-00 A.M. to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the **Audited Balance Sheet** as at 31st March, 2006 and **Profit & Loss Account** for the year ended on that date together with the Report of the Directors and Auditors' Report thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Shri Raj Kumar Bajoria, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Subash R. Kamath, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Registered Office :
17, Chittaranjan Avenue
3rd Floor, Kolkata-700 072
Dated : 29th day of June, 2006

By Order of the Board
ASHOK KUMAR GOENKA
CHAIRMAN

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## NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more Proxy to attend and vote instead of himself on a poll only and such Proxies need not be a Member of the Company. The Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the Meeting. Proxy Form is attached herewith.
2. Members are requested to bring the copy of the Annual Report to the Annual General Meeting. No extra copies of the Annual Report will be supplied at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2006 to 23rd September, 2006 (Both days inclusive).
4. The payment of dividend, if declared at the Annual General Meeting, will be paid to those shareholders whose names shall appear on the Company's Register of Members on 23rd September, 2006. In respect of shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of business on 14th September, 2006.



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5. Appointment/Re-appointment of Directors :

| Name of Director | Shri Raj Kumar Bajoria | Dr. Subash R. Kamath |
|---|---|---|
| Date of Birth | 02-02-1952 | 21-07-1959 |
| Qualification | B.Com. | MBBS, FRCS, MCh (orth) |
| Experience | 33 years in finance & Corporate Management | Over 20 years as an Orthopedic Surgeon at various Hospital in UK earlier till 1995 and thereafter in Kolkata |
| List of other Companies in which Directorship held as on 31-03-2006 | 1. Saurav Infotech Private Limited | None |
| Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director as on 31-03-2006 | None | None |

6. As per the provision of the Companies Act, 1956, facilities for making nomination is now available to the Share-holders. Nomination forms can be obtained from the Company.

7. Members are requested to furnish their Bank Account details, change of address etc. to the Company Registrars and Transfer Agents in respect of Shares held in physical form and to their respective Depository Participants if the Shares are held in electronic form.

8. In order to avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment of dividend warrants, Shareholders are requested to avail of ECS facility whereby the dividend will be directly credited electronically to their respective Bank accounts. This will ensure speedier credit of dividend. 'ECS Mandate Forms' had been already sent to all Shareholders.

9. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, Dividend for the Financial Year 1998-1999 and thereafter which remain unpaid or unclaimed for a period of 7 (Seven) years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

   It may kindly be noted that once the unpaid or unclaimed Dividend is transferred to the abovesaid Fund of the Central Government as above, no claim shall lie in respect thereof.

   Details of the unclaimed dividend which will be transferred to the Investor Education and Protection Fund are as follows :

| For the year ended | Date of declaration of Dividend | Due for transfer on |
|---|---|---|
| 31-03-1999 | 25-09-1999 | 12-11-2006 |
| 31-03-2000 | 15-03-2000 | 02-05-2007 |
| 31-03-2001 | 29-09-2001 | 16-11-2008 |
| 31-03-2002 | 28-09-2002 | 03-11-2009 |
| 31-03-2003 | 27-09-2003 | 02-11-2010 |
| 31-03-2004 | 25-09-2004 | 31-10-2011 |
| 31-03-2005 | 24-09-2005 | 30-10-2012 |

   Shareholders who have not so far encashed the Dividend Warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company before due date of transfer to IEPF. Also note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 (Seven) years from the date that they first became due for payment and no payment shall be made in respect of any such claim.

   Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividend for the financial year ended 31st March, 1998 have been transferred to the Investor Education and Protection Fund.



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# DIRECTORS' REPORT
# TO THE MEMBERS

Your Directors have pleasure in submitting the 12th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2006.

## FINANCIAL HIGHLIGHTS :

The financial results of the Company are summarized below :

| Particulars | **Year ended 31-03-2006 (Rs. in lacs)** | Year ended 31-03-2005 (Rs. in lacs) |
|---|---|---|
| Income from Operations | **634.26** | 624.66 |
| Other Income | **181.85** | 33.22 |
| Total Income | **816.11** | 657.88 |
| Total Expenditure | **464.64** | 459.39 |
| Interest | **0.02** | 0.04 |
| Depreciation | **18.84** | 18.06 |
| Profit before Taxation | **332.61** | 180.39 |
| Provision for Taxation | | |
| Current Tax | **57.18** | 54.53 |
| Deferred Tax | **(3.49)** | (1.01) |
| Fringe Benefit Tax | **0.70** | — |
| Net Profit | **278.22** | 126.87 |
| Proposed Dividend | **87.11** | 83.76 |
| Tax on Dividend | **12.22** | 11.75 |
| Transfer to General Reserve | **30.00** | 17.50 |
| Earnings per Share (Rs.) | **8.30** | 3.78 |

## OPERATIONS AND PROSPECTS :

In December 1995 your Company had started its commercial operations at 123A, Rash Behari Avenue, Kolkata when its started its first division in the name and style of "N. G. Medicare & Calcutta Hope Infertility Clinic" and we are proud today to state that we have completed a decade of service and made a mark for ourselves on the healthcare map of the City. During the year, your Company's this establishment has been renovated as well and some back office activities have be relocated at rented premises in the same vicinity to create badly required space, which has been coming in the way of introducing as well as expanding services and thereby growth. Intense competition in the field has also come in the way of growth. New services like NCV/EMG tests have been just started and others like Digital X-Ray, Pharmacy Services are on way to put the division on growth path again.



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Your Company's new project at Southern Avenue has been almost completed and we are pleased to inform you that commercial operations have commenced from 26th June. 2006. This Indoor Establishment will be operated as a separate new division of the Company and the Board of Directors have decided to run it in the name and style of "N. G. Nursing Home". It is expected that during 2006-2007 all Departments of the project will come into operation and that it will carve out its market soon as one of the best Nursing Homes of the City. It is therefore expected to significantly contribute to the future performance of your Company in the coming years.

**DIVIDEND :**

Your Directors recommend a Dividend of Rs. 2.60 per Equity Share (Previous Year Rs. 2.50) for your consideration for the year ended 31st March, 2006. The Dividend will be paid after it is approved at the forthcoming Annual General Meeting.

**DIRECTORS :**

Shri Raj Kumar Bajoria and Dr. Subash R. Kamath, Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment.

**LISTING WITH STOCK EXCHANGES :**

As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the Company hereby declares that the Listing of its Shares at The Calcutta Stock Exchange Association Ltd. as well as Bombay Stock Exchange Limited continued throughout the year and the Listing Fee due till date stands paid.

**DEMATERIALISATION OF SHARES :**

In order to facilitate dealing in shares in the electronic mode, your Company has entered into an arrangement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). With this, the members have the option to trade their dematerialised shares in the Company through NSDL or CDSL. Securities and Exchange Board of India (SEBI) has made it mandatory for all investors to trade in the shares of the Company in dematerialised form. The Company's Shares have been allotted ISIN:INE825C01018.

**AUDITORS :**

M/s. M. R. Singhwi & Co., Chartered Accountants, Kolkata, Auditors of the Company, retire and being eligible offer themselves for re-appointment.

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

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the Report of Board of Directors) Rules 1988 are given in the Annexure forming part of this Report.

**PARTICULARS OF EMPLOYEES :**

None of the employees of your Company is covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended from time to time.



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**DIRECTORS' RESPONSIBILITY STATEMENT :**

In compliance to the Provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE :**

The Corporate Governance form an integral part of this Report and are set out as separate annexures to this Report. The certificate from the Auditors of the Company certifying compliance of condition of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed to Report on Corporate Governance.

**DEPOSITS :**

During the period under review, your Company has not accepted any deposit from the Public.

**ACKNOWLEDGEMENTS :**

Your Directors acknowledge the co-operation and assistance received from the Shareholders, Doctors, Banks and various Government Agencies. Your Directors wish to place on record their sincere appreciation for the contribution made by the employees.

For and on behalf of the Board of Directors

Place : Kolkata
Dated : 29th day of June, 2006

ASHOK KUMAR GOENKA
CHAIRMAN



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N. G. INDUSTRIES LIMITED

## ANNEXURE TO DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2006.

A. **CONSERVATION OF ENERGY**

Not applicable to our Industry.

B. **TECHNOLOGY ABSORPTION**

Research & Development :

1. Specific Areas in which R&D carried out by the Company.
   (a) Establishment of high standard modern Laboratory for conducting R&D in the field of Embryology etc.
   (b) Carried out training sessions with Consultants for training in various aspects of Diagnosis, Treatment, Embryology etc. through assimilation/adoption of latest technology.
2. Benefits derived as a result of the above R&D. Develop superior skills and expertise, the benefits of which will go to patients of our Medical Centre in form of quality of services.
3. Future plan of Action.
   (a) Develop new techniques and improvements in various fields of Medical Diagnostics, Infertility etc.
   (b) To obtain accreditation from NABL for our Laboratory.
4. Expenditure on R&D. The Medical Centre has incurred capital costs for the facilities including Laboratories which are also being made use for R&D purposes. As such no separate costs have so far been quantified as R&D Expenditure.
5. Technology Absorption, Adaption and Innovations :

   The Company had taken technology only from its Indian collaborators M/s. Hope Infertility Clinic, Bangalore and has successfully adapted and absorbed its technology needs for its various Infertility procedures. The collaboration has since been concluded at the end of 5 years.

6. **EXPORTS, FOREIGN EXCHANGE EARNINGS AND OUTGO :**
   1. EXPORTS ACTIVITIES & EXPORTS PLANS :

      The Company's activities are in the field of Medical Diagnostics at its Centre in Kolkata and as such has no export possibilities.

   2. FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs.)

| | 2005-2006 |
|---|---|
| EARNINGS | **NIL** |
| OUTGO | **NIL** |



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## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Code of Governance :

N. G. Industries Limited has over the years endeavored to follow practice of Corporate Governance. N. G. Industries Limited's business objective and that of its management and employees is to provide world class Medical Services at economical rates to citizens. In addition to compliance with regulatory requirements, N. G. Industries Limited endeavors to ensure that standards of ethical and responsible conduct are met throughout the organization. We believe that Corporate governance is dependent on transparency, maximum disclosures, un-biased monitoring and being fair to all including shareholders, especially minority shareholders.

### 2. Board of Directors

As per the requirements of Corporate Governance the composition of Board of Directors is required to have combination of non-executive and independent Directors alongwith the executive Directors.

The Board of Directors of the Company include eminent personalities from all walks of life.

**Composition of Board of Directors.**

The present strength of the Board is eight Directors. The Board comprises of two Executive and six Non-Executive Directors.

| Name of Director | Executive/Non-Executive/ Independent/Non -Independent | No. of outside Directorship | No. of Membership/ Chairmanship in other Board Committees |
|---|---|---|---|
| Mr. Ashok Kumar Goenka | Non-Executive/Non-Independent | 2 | — |
| Mr. Ashok Bhat | Executive/Non-Independent | 1 | — |
| Mr. Banwari Lal Goenka | Non-Executive/Non-Independent | 0 | — |
| Mr. Jagdish Chand Kumbhat | Non-Executive/Independent | 6 | — |
| Mr. Raj Kumar Bajoria | Non-Executive/Independent | 1 | — |
| Mr. Rajesh Goenka | Executive/Non-Independent | 4 | — |
| Dr. Subash R. Kamath | Non-Executive/Independent | 0 | — |
| Mr. Vinod Singhi | Non-Executive/Independent | 3 | — |

**Attendance record of Directors**

| Name of Director | No. of Board Meetings Held | Attended | Attended last AGM |
|---|---|---|---|
| Mr. Ashok Kumar Goenka | 7 | 7 | Yes |
| Mr. Ashok Bhat | 7 | 7 | Yes |
| Mr. Banwari Lal Goenka | 7 | 6 | No |
| Mr. Jagdish Chand Kumbhat | 7 | 6 | Yes |
| Mr. Raj Kumar Bajoria | 7 | 6 | Yes |
| Mr. Rajesh Goenka | 7 | 7 | Yes |
| Dr. Subash R. Kamath | 7 | 6 | Yes |
| Mr. Vinod Singhi | 7 | 6 | Yes |

The Chairman of the Board is a Non-Executive Director and the number of Independent Directors on the Board meet the requirement of Corporate Governance.



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