

N G INDUSTRIES LIMITED
CIN: L74140WB1994PLC065937

ANNUAL REPORT 2014-2015

BOARD OF DIRECTORS	:	Mr. Ashok Kumar Goenka, Chairman Mr. Vinod Kumar Singhi Dr. Subash R. Kamath Mr. Rajkumar Bajoria Mr. Jagdish Chand Kumbhat Mr. Rajesh Goenka, Whole-Time Director Ms. Neha Goenka
AUDITORS	:	M.R. Singhwi & Company
BANKERS	:	Allahabad Bank Axis Bank Ltd. HDFC Bank Ltd. Standard Chartered Bank State Bank of Travancore
REGISTERED OFFICE	:	1st Floor 37A, Southern Avenue (Renamed as Dr Meghnad Saha Sarani) Kolkata - 700029
DIVISIONS	:	1. N G Medicare & Calcutta Hope Infertility Clinic 123A, Rash Behari Avenue Kolkata - 700029 2. N G Nursing Home 23, Southern Avenue (Renamed as Dr. Meghnad Saha Sarani) Kolkata - 700026 3. N G Pharmacy 123A, Rash Behari Avenue, Kolkata - 700029 23, Southern Avenue, Kolkata - 700026
REGISTRARS & SHARE TRANSFER AGENTS	:	S. K .Infosolutions Pvt.Ltd. 34/1A Sudhir Chatterjee Street Kolkata - 700006
LISTING OF SHARES	:	1. The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata -700001 2. Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001

N G INDUSTRIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS:

Your Directors have pleasure in submitting the 21st Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS:

The financial results of the Company are summarised below:

Particulars	Year ended 31st March 2015 (Rs.in lacs)	Year ended 31st March 2014 (Rs.in lacs)
Income from Operations	1,486.49	1,379.85
Other Income	52.99	57.05
Total Income	1,539.48	1,436.90
Total Expenditure	1,220.19	1,105.58
Interest	4.32	28.96
Depreciation	119.24	93.37
Profit before Taxation	195.73	208.99
Provision for Taxation		
Current Tax	65.20	59.50
Deferred Tax	(12.92)	(2.39)
Income Tax Adjustment for the earlier year	0.53	-
Net Profit	142.92	151.88
Proposed Dividend	117.27	117.27
Tax on Dividend	23.45	19.93
Earnings per Share (Rs.)	4.27	4.53

OPERATIONS AND PROSPECTS:

Except for a brief period when H1N1 cases were detected in Kolkata, the year was one which did not show any epidemic challenges to Healthcare Service Providers in the city.

The Company's three divisions namely **N G Medicare & Calcutta Hope Infertility Clinic, N G Nursing Home and N G Pharmacy** thus could only muster modest growth in the increasingly competitive environment in this sector.

The Company has higher provisions for Depreciation arising due to the new provisions of the company Act 2013 thus resulting in lower numbers for Net Profit. Higher employee costs continue to put pressure on the Company's finances. Despite these challenges, the Company continues to perform and expects to do so in the coming year.

There was no change in the nature of the business of the company during the year.

DIVIDEND:

Your Directors recommend a Dividend of Rs. 3.50 per Equity Share (Previous Year Rs.3.50) for your consideration for the year ended 31st March, 2015. The Dividend will be paid after it is approved at the forthcoming Annual General Meeting.

DIRECTORS:

Mr. Rajesh Goenka, Director of the Company, retires by rotation and being eligible offer himself for re-appointment.

The Companies Act, 2013 and revised Clause 49 of the Listing Agreement require that a Woman Director should be member of the Board of Directors. Ms. Neha Goenka, was appointed by the Board of Directors on 16th March, 2015. Ms. Goenka holds office as an Additional Director of the Company upto the date of the ensuing Annual General Meeting. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with prescribed deposit from a member of the Company signifying her intention to propose the candidature of Ms. Neha Goenka for the Office of the Director of the Company.

N G INDUSTRIES LIMITED

KEY MANAGERIAL PERSONNEL:

The Company has designated Mr. Rajesh Goenka , who is Whole-time-Director as Chief Financial Officer.

SUBSIDIARIES:

The Company does not have any Subsidiary/ Subsidiaries within the meaning of the Companies Act, 2013.

WHISTLE BLOWER MCHANISM:

The Company has put in place Whistle Blower Mechanism, details on which are given in Corporate Governance Report forming part of this report.

LOANS, INVESTMENT AND GUARANTEES BY THE COMPANY:

There is no loan given, investment made, guarantee given or security provided by the Company to any entity under Section 186 of the Companies Act, 2013.

NUMBER OF MEETING OF BOARD OF DIRECTORS:

The Board of Directors have met 8 times and Independent Directors once during the year ended 31st March, 2015

DETAILS OF COMMITTEE OF DIRECTORS:

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholders Relationship Committee of Directors, number of meetings held of each Committee during the financial year 2014-2015 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forming part of this Report.

The Recommendations by the Audit Committee as and when made to Board has been accepted by it.

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

The Board of Directors of the Company has initiated and put in place a policy for evaluation of its own performance, its Committees and individual directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company. Further details are outlined in the Corporate Governance Report forming a part of this report.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors of the Company have made a declaration confirming the Compliance of the Conditions of the independence stipulated in the aforesaid section.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Audit has been conducted throughout the organization by qualified outside Internal Auditors. Findings of the Internal Audit Report are reviewed by the top management and by the Audit Committee of the Board and proper follow up action is ensured wherever required. The Statutory Auditors have evaluated the systems of internal controls of the Company and have reported that the same are adequate and commensurate with size of the Company and nature of its business.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has put in the place an Internal Complaints committee to redress complaints received regarding sexual harassment from any employee of the Company. The committee comprising of majority of women employees is constituted for the purpose of ensuring compliance towards the provisions of the above Act. During the year 2014-2015 no complaints were received by the said committee.

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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 AND AUDITOR'S REPORT :

M/s. M. R. Singhwi & Co., Chartered Accountants, Kolkata, Auditors of the Company, retire and being eligible offer themselves for re-appointment. The notes on account referred to, in the Auditor's Report are self-explanatory and therefore do not call for further explanation.

COST AUDIT:

Cost Audit is not applicable to the Company.

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

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 are set out in a separate statement attached hereto and forming part of the report.

PARTICULARS OF EMPLOYEES :

Pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees getting remuneration exceeding the limit.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state 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 have 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 have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE :

The Corporate Governance Report forms 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 conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed to Report on Corporate governance.

N G INDUSTRIES LIMITED

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY :

All contracts / arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contracts/ arrangements/ transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to notes to the financial statement which sets out related party disclosures.

SECRETARIAL AUDITOR :

The Board has appointed S. Rath & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-2015. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith to this report.

EXTRACT OF ANNUAL RETURN :

Extract of Annual Return of the Company is annexed herewith to this report.

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 Board of Directors

Place : Kolkata
Date : 28th day of May, 2015

Ashok Kumar Goenka
Chairman

N G INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

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

(Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014)

A. CONSERVATION OF ENERGY

Not applicable to our Industry. However all efforts on sustained basis are made to conserve energy.

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, Diagnostics, etc. Obtained NABL accreditation for Medical Testing as per ISO 15189 : 2012.
 - (b) Carried out training sessions with Consultants for training in various aspects of Diagnosis, Treatment, Embryology etc. through assimilation / adoption of latest technology. Deputed employees to several Quality Training workshops.
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) Adopt new techniques and improvements in various fields of Medical Diagnostics, Infertility etc.
 - (b) To obtain accreditation from NABH for our Nursing Home in due course.
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 Services at its Centres in Kolkata and as such has no export possibilities.

2. FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs in lacs)

	2014 – 2015	2013 - 2014
EARNINGS	NIL	NIL
OUTGO	NIL	NIL

S. RATH & Co.
SAHADEB RATH
COMPANY SECRETARIES

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2nd Floor, Room No.-209
Kolkata-700 012
Phone: (M) 9830363084 (O) 033 22360745
Email: sahadevrath@yahoo.co.in

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH , 2015

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

To,
The Members,
N G Industries Limited
(CIN-L74140WB1994PLC065937)
37A, Dr. Meghnad Saha Sarani, First Floor
Kolkata - 700 029

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. N G 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.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and as shown to us during the said audit and also based on 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, 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:
3. We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the Company.
4. We have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by M/s. N G Industries Limited for the financial year ended on 31st March, 2015 and as shown to us during our audit, according to the provisions of the following laws:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
Form DIR 12, Form MGT 14 and Form MR 1 for appointment of Key Managerial Personnel (Company Secretary and Chief Financial Officer) is yet to be filed.
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) and other applicable laws like The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Payment of Bonus Act, 1961, Employees Provident Funds & Miscellaneous Provisions Act, 1952, The Employees State Insurance Act, 1948, The Maternity Benefits Act, 1961, The Payment of Gratuity Act, 1972, The Environment (Protection) Act, 1986, The West Bengal Clinical Establishments (Regulations and Registration) Act, 2010, The Pre-Natal Diagnostic Technique Act & Rules etc.
5. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).
 6. To the best of our understanding we are of the view that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
 7. 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 8. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 9. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
 10. 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.

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11. We further report that during the audit period there were no instances of

- a. Public /Right/Preferential Issue of shares/debentures/sweat equity, etc.
- b. Redemption/buy-back of securities
- c. Merger/amalgamation/reconstruction etc.
- d. Foreign Technical Collaborations

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

For S. Rath & Co.

Date : 28th day of May 2015

Place: Kolkata

Sahadeb Rath
Proprietor
Membership No.-ACS13298
CP No.-3452

Secretarial Audit Report (Contd.)

S. RATH & Co.
SAHADEB RATH
COMPANY SECRETARIES

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2nd Floor, Room No.-209
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`Annexure A'

(To the Secretarial Audit Report of M/s. N.G. Industries Limited for the financial year ended 31/03/2015)

To,

The Members,

N G Industries Limited

(CIN-L74140WB1994PLC065937)

37A, Dr. Meghnad Saha Sarani, First Floor

Kolkata - 700 029

Our Secretarial Audit Report for the financial year ended 31/03/2015 of even date is to be read along with this letter.

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

For S. Rath & Co.

Date : 28th day of May 2015

Place: Kolkata

Sahadeb Rath
Proprietor
Membership No.-ACS13298
CP No.-3452

Secretarial Audit Report (Contd.)