NOTICE TO MEMBERS

NOTICE is hereby given that the 16th 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 - 700019** on Saturday, 25th September, 2010 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, 2010 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 Ashok Kumar Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Vinod Singhi 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 May, 2010

By Order of the Board

ASHOK KUMAR GOENKA
CHAIRMAN

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 21st September, 2010 to 25th September, 2010 (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 25th September, 2010. 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 20th September, 2010.

5. Appointment / Re-appointment of Directors :

Name of Director	Shri Ashok Kumar Goenka	Shri Vinod Singhi
Date of Birth	03.11.1958	24.01.1955
Qualification	B.Sc. ACA	MBA, F.C.A.
Experience	29 years in Finance & Corporate Management	38 years in Finance & Corporate Management
List of other Companies in which Directorship held as on 31.03.2010	1. AKG Finvest Limited 2. Goenka Securities Pvt.Ltd.	1. Nikita Constructions & Mercantiles Pvt. Ltd. 2. Snow Tex Business Pvt.Ltd. 3. Viba Business Services Pvt.Ltd.
Chairman/Member of the Committees of the Board of Directors of otner Companies in which he is a Director as on 31.03.2010	Chairman - 1 Member - 1	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. If shares are held in electronic form, such nomination is mandated to their respective Depositary Participant.

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 NECS facility whereby the dividend will be directly credited electronically to their respective Bank accounts. This will ensure speedier credit of dividend.

The Company will utilize the facility of NECS for payment of dividend in future directly to bank account of share holder who hold Equity shares of the company in dematerialised form. It is, therefore, necessary that the correct bank details and your CBS account Number are recorded by your DP. In case you want to change or correct update your new CBS Account Number, kindly instruct your DP accordingly at the earliest. If the existing bank details, registered with your DP are correct and there is no change in your bank details, you may ignore this advice.

We wish to clarify that as all the relevant records are kept by your DP any change in your bank details, would need to be intimated to your DP only and not to the Company / Registrar & Share Transfer Agents. If for any reason, we are unable to credit the dividend amount directly to your Bank Account the same would be remitted to you by way of dividend warrant.

9 Pursuant to the provisions of section 205A of the Companies Act, 1956, as amended, Dividend for the Financial Year 2002 - 2003 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
31.03.2003	27.09.2003	02.11.2010
31.03.2004	25.09.2004	31.10.2011
31.03.2005	24.09.2005	30.10.2012
31.03.2006	23.09.2006	29.10.2013
31.03.2007	29.09.2007	04.11.2014
31.03.2008	27.09.2008	02.11.2015
31.03.2009	19.09.2009	25.10.2016

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 to 31st March, 2002 have been transferred to the Investor Education and Protection Fund.

DIRECTORS' REPORT TO THE MEMBERS :

Your Directors have pleasure in submitting the 16th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS :

The financial results of the Company are summarised below :

Particulars	Year ended 31.03.2010 (Rs.in lacs)	Year ended 31.03.2009 (Rs.in lacs)
Income from Operations	1011.29	953.59
Other Income	98.96	14.04
Total Income	1110.25	967.63
Total Expenditure	767.09	720.70
Interest	3.90	-
Depreciation	67.78	71.72
Profit before Taxation	271.48	175.21
Provision for Taxation		
Current Tax	61.87	61.24
Deferred Tax	(2.24)	(5.76)
Fringe Benefit Tax	-	1.24
Net Profit	211.85	118.49
Proposed Dividend	100.51	97.16
Tax on Dividend	17.08	16.51
Transfer to General Reserve	22.00	15.00
Earnings per Share (Rs.)	6.32	3.54

OPERATIONS AND PROSPECTS :

During the year your Company's Division N. G. Nursing Home further consolidated its operations and could achieve a wider base of both Doctors and Patients utilizing its services. Company also obtained necessary sanctions and developed the infrastructure on the ground floor of its premises, the benefit of which will accrue in the coming years. N.G.Nursing Home also secured approval under section 17(2) of the Income Tax Act 1961 for a period of 3 years.

N. G. Medicare & Calcutta Hope Infertility Clinic Our first Division continues to enjoy wide patronage of all sections of citizens of South Kolkata. However intense competition in this segment of healthcare compounded with pressure on purchasing capacity in hands of citizens due to high food inflation and economic slow down continue to come in the way of achieving growth. Investments were made to replace old CT Scan machine as well as Color Doppler during the year.

N. G. Pharmacy Our retail Pharmacy division could start its second retail outlet at the premises of N.G.Nursing Home at Southern Avenue, Kolkata towards the end of the year. The benefit of this startup will accrue in the coming year. Earlier retail outlet at Rash Behari Avenue continued to draw wider patronage.

Company's strong emphasis on cost controls, efficient management & operations, fiscal discipline and Quality adherence will enable it to face the competitive threats that it faces and reflect in performance in coming years.

DIVIDEND :

Your Directors recommend a Dividend of Rs. 3.00 per Equity Share (Previous Year Rs.2.90) for your consideration for the year ended 31st March, 2010. The Dividend will be paid after it is approved at the forthcoming Annual General Meeting.

DIRECTORS :

Shri Ashok Kumar Goenka and Shri Vinod Singhi, 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.

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 May, 2010

ASHOK KUMAR GOENKA
CHAIRMAN

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, 2010.

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, Diagnostics, 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 and NABH for our Nursing Home.
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.)

	2008 - 2009	2009 - 2010
EARNINGS	NIL	NIL
OUTGO	NIL	NIL

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance :

N.G. Industries Limited has over the years endeavoured 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 endeavours to ensure that standards of ethical and responsible conduct are met throughout the organisation. 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	Other Committees	
			Member	Chairman
Mr.Ashok Kumar Goenka	Non-Executive/Non-Independent	2	1	1
Mr.Ashok Bhat	Executive/Non-Independent	0		
Mr.Banwari Lal Goenka	Non-Executive/Non-Independent	0		
Mr.Jagdish Chand Kumbhat	Non-Executive/Independent	6		
Mr.Raj Kumar Bajoria	Non-Executive/Independent	2	1	
Mr.Rajesh Goenka	Executive/Non-Independent	3	1	2
Dr.Subash R. Kamath	Non-Executive/Independent	0		
Mr.Vinod Singhi	Non-Executive/Independent	3		

Inter Director Relationship :

Mr.Banwari Lal Goenka-Father of Mr.Ashok Kumar Goenka & Mr.Rajesh Goenka
Mr.Ashok Kumar Goenka-Son of Mr.Banwari Lal Goenka & Brother of Mr.Rajesh Goenka
Mr.Rajesh Goenka-Son of Mr.Banawari Lal Goenka & Brother of Mr.Ashok Kumar Goenka

Attendance record of Directors :

Name of Director	No. of Board Meetings Held	Attended	Attended last AGM
Mr.Ashok Kumar Goenka	8	8	Yes
Mr.Ashok Bhat	8	8	Yes
Mr.Banwari Lal Goenka	8	7	No
Mr.Jagdish Chand Kumbhat	8	7	Yes
Mr.Raj Kumar Bajoria	8	7	Yes
Mr.Rajesh Goenka	8	8	Yes
Dr.Subash R. Kamath	8	7	Yes
Mr.Vinod Singhi	8	7	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.

No. of Board Meetings Held 2009-2010 :

Total eight Meetings were held during the year 2009-2010. The dates on which the said Meetings were held are as follows :-

28th May, 2009	11th August, 2009	29th January, 2010
29th June, 2009	22nd September, 2009	12th February, 2010
31st July, 2009	30th October, 2009	

Details of Directors being re-appointed (Brief Resume)

Name of Director	Shri Ashok Kumar Goenka	Shri Vinod Singhi
Date of Birth	03.11.1958	24.01.1955
Qualification	B.Sc. ACA	MBA, F.C.A.
Experience	29 years in Finance & Corporate Management	38 years in Finance & Corporate Management
List of other Companies in which Directorship held as on 31.03.2010	1. AKG Finvest Limited 2. Goenka Securities Pvt.Ltd.	1. Nikita Constructions & Mercantiles Pvt. Ltd. 2. Snow Tex Business Pvt.Ltd. 3. Viba Business Services Pvt.Ltd.
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director as on 31.03.2010	Chairman - 1 Member - 1	None

3. Code of Conduct :

The Company has adopted a code of conduct for the Board of Directors and Senior Management of the Company and all of them have affirmed compliance of the same.

4. Audit Committee :

The Company has constituted an Audit Committee comprising of Mr. Jagdish Chand Kumbhat, non-executive and independent Director, Mr.Raj Kumar Bajoria, non-executive and independent Director and Dr. Subash R. Kamath, a non-executive and independent Director, Mr.Jagdish Chand Kumbhat being the Chairman of the Committee.

Out of the above, Mr.Jagdish Chand Kumbhat and Mr. Raj Kumar Bajoria are highly experienced in accounting and financial aspects as well as Corporate laws.

Brief terms of references of the Audit Committee

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors. These include oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible; reviewing annual and quarterly financial statements with management before submission to the Board; reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the Company's financial risk and management policies.

Audit Committee Meeting and attendance during the year

During 2009-2010 The Audit Committee Meetings were held on 29-06-2009, 31-07-2009, 30-10-2009 & 29.01.2010.

Name of Director	No. of Meetings attended
Mr. Jagdish Chand Kumbhat	4
Mr. Raj Kumar Bajoria	4
Dr. Subash R. Kamath	4

5. **Subsidiary Companies :**
   The Company has no Subsidiary.

6. **Disclosure of issue proceeds :**
   The Company did not make any Public. Rights or Preferential Issue of Securities during 2009-2010.

7. **Shareholders Committee :**

a) **Share Transfer Committee**

The Share Transfer Committee was constituted to deal with various matters relating to share transfer/ transmission, issue of duplicate share certificates, approving the split and consolidation request and other matters relating to transfer and registration of shares.

The members of the committee are Mr.Ashok Bhat, Whole-time-Director, Mr.Rajesh Goenka, Whole-time-Director and Mr.Vinod Singhi, non-executive & independent Director. Mr.Ashok Bhat is the Chairman of the Committee. During financial year 2009-2010, Two share transfer committee meetings were held.

b) **Shareholders/Investors grievances Committee**

The company constituted the Shareholders/Investors grievances committee to oversee the redressal of shareholders' and investors' grievances in relation to transfer of shares, non-receipt of annual report and non-receipt of dividend.

Shareholders/Investors Grievance Committee comprises of Mr.Ashok Bhat, Whole-time-Director & Compliance Officer, Mr.Raj Kumar Bajoria, non-executive & independent Director and Mr.Vinod Singhi, non-executive & independent Director. Mr.Vinod Singhi is the Chairman of the Committee.

Shareholders / Investors grievances Committee Meeting and attendance during the year

During 2009-2010 The Shareholders/Investors grievances Committee Meetings were held on 28.05.2009, 30.10.2009, 29.01.2010 & 31.03.2010.

Name of Director	No. of Meetings attended
Mr. Ashok Bhat	4
Mr. Raj Kumar Bajoria	4
Dr. Vinod Singhi	4

A total of 11 complaints were received during the year under review, out of which none were pending as on 31st March, 2010.