

## **N. G. INDUSTRIES LIMITED**

<b>BOARD OF DIRECTORS</b>	:	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
<b>AUDITORS</b>	:	M/s. M.R. Singhwi & Company
<b>BANKERS</b>	:	Allahabad Bank HDFC Bank Ltd. Standard Chartered Bank
<b>REGISTERED OFFICE</b>	:	17, Chittaranjan Avenue 3rd Floor Kolkata - 700072
<b>DIVISIONS</b>	:	<b>1. N. G. Medicare &amp;</b> Calcutta Hope Infertility Clinic 123A, Rash Behari Avenue Kolkata - 700029
	:	<b>2. N. G. Nursing Home</b> 23, Meghnad Saha Sarani, (Renamed from Southern Avenue) Kolkata - 700026
	:	<b>3. N. G. Pharmacy</b> -123A, Rash Behari Avenue Kolkata - 700029
		-23, Meghnad Saha Sarani Kolkata - 700026
<b>REGISTRARS &amp; SHARE TRANSFERAGENTS</b>	:	M/s. S.K. Computers 34/1A Sudhir Chatterjee Street Kolkata - 700006
<b>LISTING OF SHARES</b>	:	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**

### **NOTICE TO MEMBERS**

NOTICE is hereby given that the 17th 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, 24th September, 2011 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, 2011 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 Banwari Lal Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Jagdish Chand Kumbhat who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Registered Office:  
3rd Floor,  
17, Chittaranjan Avenue,  
Kolkata- 700 072  
Dated 30th day of May, 2011

By Order of the Board

ASHOK KUMAR GOENKA  
CHAIRMAN

## N.G. INDUSTRIES LIMITED

### 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 20th September, 2011 to 24th September, 2011 (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 24th September, 2011. 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 for this purpose.
5. Appointment/ Re-appointment of Directors:

Name of Director	Shri Banwari Lal Goenka	Shri Jagdish Chand Kumbhat
Date of Birth	09.01.1935	21.08.1952
Qualification	Matriculate	F.C.A.
Experience	49 years in Business & Trading	34 years in Finance & Corporate Management
List of other Companies in which Directorship held as on 31.03.2011	None	1. Sombaria Co. Ltd. 2. Indo-Carbon Industries Ltd. 3. Classic Trade Holdings Ltd. 4. Speedways International Pvt.Ltd
Chairman/Member of the Committees of the Board of Directors of other Companies in Which he is a Directors as on 31.03.2011	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. If shares are held in electronic form, such nomination is mandated to their respective Depository 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.

## N.G. INDUSTRIES LIMITED

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 shareholder 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 2003 - 2004 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
31.03.2004	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	24.10.2016
31.03.2010	25.09.2010	31.10.2017

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, 2003 have been transferred to the Investor Education and Protection Fund.

10. As per Section 53 of the Company Act, 1956, which provides for service of documents under 'Certificate of Posting' as one of the accepted mode of service, whereas the Department of Posts has recently discontinued the postal facility under 'Certificate of Posting' vide their letter dated February 23, 2011. The Information Technology Act, 2000 also permits service of documents etc. in electronic mode. Keeping this in view the Ministry of Corporate Affairs vide their circular no.17/2011 dated April 21, 2011 clarified that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronics mode provided the Company has obtained email addresses of its members for sending the notice/ documents through email by giving an advance opportunity to every shareholders to register their email address and changes therein from time to time with the Company.

In view of the above, the Company requests all its shareholders to kindly provide their email addresses along with client ID/ Folio no. and number of shares as reference to the following email addresses with Subjects as N.G.Industries Ltd. - Member Email ID' at [ngmail@vsnl.com](mailto:ngmail@vsnl.com).

## **N.G. INDUSTRIES LIMITED**

### **DIRECTORS' REPORT TO THE MEMBERS:**

Your Directors have pleasure in submitting the 17th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

### **FINANCIAL HIGHLIGHTS:**

The financial results of the Company are summarised below:

<b>Particulars</b>	<b>Year ended 31.03.2011 (Rs. in lacs)</b>	<b>Year ended 31.03.2010 (Rs. in lacs)</b>
Income from Operations	<b>1117.28</b>	<b>1011.29</b>
Other Income	<b>67.03</b>	<b>98.96</b>
Total Income	<b>1184.31</b>	<b>1110.25</b>
Total Expenditure	<b>853.15</b>	<b>767.09</b>
Interest	<b>1.92</b>	<b>3.90</b>
Depreciation	<b>75.15</b>	<b>67.78</b>
Profit before Taxation	<b>254.09</b>	<b>271.48</b>
Provision for Taxation		
Current Tax	<b>69.10</b>	<b>61.87</b>
Deferred Tax	<b>(3.66)</b>	<b>(2.24)</b>
Income Tax Adjustment for the earlier year	<b>2.79</b>	<b>-</b>
Net Profit	<b>185.86</b>	<b>211.85</b>
Proposed Dividend	<b>117.27</b>	<b>100.51</b>
Tax on Dividend	<b>19.02</b>	<b>17.08</b>
Transfer to General Reserve	<b>20.00</b>	<b>22.00</b>
Earnings per Share (Rs.)	<b>5.55</b>	<b>6.32</b>

### **OPERATIONS AND PROSPECTS:**

During the year your Company's Division 'N. G. Nursing Home' achieved wider growth in it's operations and received wider patronage from both Doctors and Citizens in utilizing its services. The Division is poised to further consolidate its position and achieve higher capacity utilization in the coming year.

Our First Division- 'N. G. Medicare & Calcutta Hope Infertility Clinic' continues to enjoy wide patronage in South Kolkata despite stiff competition from several similar setups which have come up in the city in recent years. Our efforts have been to hold on to our market share in this competitive phase of the evolution of the segment through cost effective and quality services.

## **N.G. INDUSTRIES LIMITED**

N. G. Pharmacy – Our retail Pharmacy division continues to operate at two outlets and has grown in its operations.

Company's efforts to provide Total Healthcare Services from Clinics, Diagnostics, Indoor or Outpatient Services to Retail Pharmacy Dispensing in a cost effective and efficient manner will enable it to stay ahead of competitive threats and continue to perform well.

### **DIVIDEND:**

Your Directors recommend a Dividend of Rs. 3.50 per Equity Share (Previous Year Rs.3.00) for your consideration for the year ended 31st March, 2011. The Dividend will be paid after it is approved at the forthcoming Annual General Meeting.

### **DIRECTORS:**

Shri Banwari Lal Goenka and Shri Jagdish Chand Kumbhat, 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.

## **N.G. INDUSTRIES LIMITED**

### **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.

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For and on behalf of the Board of Directors

Place : Kolkata  
Dated : 30th day of May, 2011

ASHOK KUMAR GOENKA  
CHAIRMAN



## **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, 2011.

#### **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 Services at its Centres in Kolkata and as such has no export possibilities.

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

	<u>2010 - 2011</u>	<u>2009 - 2010</u>
EARNINGS	NIL	NIL
OUTGO	0.57	NIL



## N.G. INDUSTRIES LIMITED

### CORPORATE GOVERNANCE REPORT

**COMPANY VISION :** Our vision for the next phase of development is to be considered the best in Kolkata for affordable Healthcare by the Common Citizen.

**MISSION STATEMENT :** Our mission is to bring Complete Healthcare of excellent Standards in an affordable manner to all Citizens.

#### 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 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	4		
Mr. Raj Kumar Bajoria	Non-Executive/Independent	2	1	
Mr. Rajesh Goenka	Executive/Non-Independent	3	1	1
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.Banwari 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	7	7	Yes
Mr. Ashok Bhat	7	7	Yes
Mr. Banwari Lal Goenka	7	7	No
Mr. Jagdish Chand Kumbhat	7	6	No
Mr. Raj Kumar Bajoria	7	6	Yes
Mr. Rajesh Goenka	7	7	Yes
Dr. Subash R. Kamath	7	7	Yes
Mr. Vinod Singhi	7	7	No

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.

## **N.G. INDUSTRIES LIMITED**

### **No. of Board Meetings Held 2010-2011:**

Total seven Meetings were held during the year 2010-2011. The dates on which the said Meetings were held are as follows:-

09th April,2010	05th October,2010	11th February,2011
29th May,2010	29th October,2010	-
30th July,2010	24th December,2010	-

### **Details of Directors being re-appointed (Brief Resume)**

Name of Director	Shri Banwari Lal Goenka	Shri Jagdish Chand Kumbhat
Date of Birth	09.01.1935	21.08.1952
Qualification	Matriculate	F.C.A.
Experience	49 years in Business & Trading	34 years in Finance & Corporate Management
List of other Companies in which Directorship held as on 31.03.2011	None	1. Sombaria Co.Ltd. 2. Indo-Carbon Industries Ltd. 3. Classic Trade Holdings Ltd. 4. Speedways International Pvt.Ltd.
Chairman/Member of the Committees of the Board of Director of other Companies in which he is a Director as on 31.03.2011	None	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.