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

**N.G. INDUSTRIES LIMITED**

**DIRECTORS' REPORT TO THE MEMBERS:**

Your Directors have pleasure in submitting the 20th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014.

**FINANCIAL HIGHLIGHTS:**

The financial results of the Company are summarised below:

| Particulars | Year ended 31st March 2014 (Rs.in lacs) | Year ended 31st March 2013 (Rs.in lacs) |
|---|---|---|
| Income from Operations | **1,379.85** | **1,412.91** |
| Other Income | **57.05** | **77.22** |
| Total Income | **1,436.90** | **1,490.13** |
| Total Expenditure | **1,105.58** | **1,120.15** |
| Interest | **28.96** | **12.14** |
| Depreciation | **93.37** | **72.70** |
| Profit before Taxation | **208.99** | **285.14** |
| Provision for Taxation | | |
| Current Tax | **59.50** | **73.70** |
| Deferred Tax | **(2.39)** | **0.50** |
| Income Tax Adjustment for the earlier year | **-** | **2.99** |
| Net Profit | **151.88** | **207.95** |
| Proposed Dividend | **117.27** | **117.27** |
| Tax on Dividend | **19.93** | **19.93** |
| Transfer to General Reserve | **15.20** | **21.00** |
| Earnings per Share (Rs.) | **4.53** | **6.21** |

**OPERATIONS AND PROSPECTS:**

Current year being one almost free of Dengue & Malaria cases resulted in lower bed utilisation, lower pharmacy as well as investigations compared to previous year when it was of epidemic proportions. This resulted in lack of revenue growth in all the three divisions of the Company namely **N G Medicare & Calcutta Hope Infertility Clinic, N G Nursing Home** and **N G Pharmacy** .High Inflation and slower growth of the economy in general, compounded with increased competition in the sector also posed challenges to the Company.

Higher Interest & Depreciation due to investment in new premises leading to higher utilisation of Bank credit as well as introduction of VAT on Pharmacy & other Sales and consequent assessed liability for past period has affected profits for the year. Service Tax on reverse charge basis introduced late last year also increased costs.

Inflationary pressures and economic slowdown raised employee costs for service sector companies like us. Enhanced Food coupons provided to employees as well as significant higher provisions towards Gratuity Fund contributions to LIC have raised employee costs during the year.

The Company relocated its Registered Office to its own newly acquired premises from April onwards. Company continues to meet the challenges and expects to perform well in the coming year.

**N.G. INDUSTRIES LIMITED**

**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, 2014. The Dividend will be paid after it is approved at the forthcoming Annual General Meeting.

**DIRECTORS:**

Mr.Ashok Kumar Goenka, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

Mr.Vinod Kumar Singhi, Mr.Rajkumar Bajoria, Mr.Jagdish Chand Kumbhat and Dr. Subash R. Kamath Directors of the Company, retire by rotation at the Annual General Meeting be and are hereby appointed as an Independent Directors of the Company for a term upto five consencutive years commencing from 24th September, 2014.

**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.

## N.G. INDUSTRIES LIMITED

### 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 Annexed to 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 as well as the Companies Act 2013 (to be extent modified and applicable) 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.

### SECRETARIAL COMPLIANCE REPORT :

Pursuant to Section 383A(1) of Companies Act, 1956, the Company is statutorily required to obtain Certificate of Compliance from the practicing Company Secretary. The copy of the Compliance Certificate for the Financial Year ended 31st March, 2014 as given by M/S. S. R. Associates, Practicing Company Secretary in attached herewith as part of our 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 : 30th day of May, 2014

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, 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 : 2007.

   (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) Develop new techniques and improvements in various fields of Medical Diagnostics, Infertility etc.

   (b) To obtain accreditation from 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)

| | 2013 – 2014 | 2012 - 2013 |
|---|---|---|
| EARNINGS | NIL | NIL |
| OUTGO | NIL | NIL |

**S. R. & Associates**
**Company Secretaries**

**31/1, Chatawala Lane,2nd Floor**
**Kolkata-700 012**
**Phone; (M) 9830363084 (O) 33752552**

## COMPLIANCE CERTIFICATE

(Under sub-section (1) of Section 383A of the Companies Act,1956)

**Registration No. of the Company: L74140WB1994PLC065937**
**Nominal Capital: Rs.3,50,00,000/-**

**To**
**The Members**
**M/s. N.G. Industries Limited**
**17, Chittaranjan Avenue,3rd Floor**
**Kolkata-700 072**

I have examined the registers, records, books and papers of **M/s. N.G. Industries Limited** (the Company) as required to be maintained under the Companies Act, 1956, and Companies Act, 2013 (to the extent applicable) including any statutory modification or re-enactment thereof for the time being in force (collective the "Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. (financial year) In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.

2. The Company has duly filed the forms and returns as stated in Annexure `B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder.

3. The Company, being a Public Limited Company, comments are not required.

4. The Board of Directors duly met Seven times respectively on 7th April 2013, 30th May 2013, 13th August 2013, 12th November 2013,20th November 2013, 13th February 2014 and 28th March 2014 in respect of which Meetings proper notices were given and the proceedings were properly recorded and signed.

5. The Company has closed its Register of Members and share transfer Books from 24th September 2013 to 28th September 2013 during the period under review.

6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 28th September 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

7. No Extra-Ordinary General Meeting was held during the financial year.

8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the companies Act 1956 and section 185 of the Companies Act,2013 .

9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.



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10. The Company has made necessary entries wherever required in the register maintained under section 301 of the Act.
11. As inform by management there were no instances during the Financial Year falling within the purview of Section 314 of the Act, hence the Company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has:
    a. delivered all the certificates on transfer/transmission of securities during the financial year.
    b. deposited the amount of dividend declared during the financial year in a separate Bank Account.
    c. paid/posted warrants for dividend declared during the financial Year to all the member of the Company with in the prescribed time and that all unclaimed /unpaid dividend has been transferred to Unpaid Dividend Account of the Company .
    d. transferred the amounts (Rs.33,081/- during the financial Year) in Unpaid Dividend Account which have remained unclaimed or unpaid for a period of Seven Years to Investor Education and Protection Fund .
    e. duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year. Cessation of directors during during the financial year have been duly made.
15. The re-appointment of Wholetime Director of the Company during the Financial Year has been duly made.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any Shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. The Company wherever necessary has kept in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited /accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The borrowings made by the Company during the financial year ending 31st March,2014 are within the Limit.
25. The Company has made loans and investments to other bodies corporate in compliance with the provisions of the Act.

….cont

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. We have been given to understand by the management that there was no prosecution initiated against or show cause notices received by the Company during the Financial Year ended 31st March 2014 for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution towards Provident Fund during the financial year with the prescribed authorities

Place: Kolkata **For S. R. & Associates**

Date : 30th day of May 2014

Proprietor
Name of the Company Secretary : **SAHADEB RATH**
C.P. No. : **3452**

**Registers as maintained by the Company :** ANNEXURE-A

**Statutory Registers** :

| | |
|---|---|
| 1. Register of Members & Index of Members | u/s 150 & 151 |
| 2. Register of Directors, Managing Directors | u/s 303 |
| 3. Director's Minute Book | u/s 193 |
| 4. Shareholder's Minutes Book | u/s 193 |
| 5. Register of Directors Shareholdings | u/s 307 |
| 6. Register of Companies and Firms in which Directors are interested | u/s 301(3) |
| 7. Register of Transfer | u/s 108 |
| 8. Books of Accounts | U/s 209 |

**Other Registers** :

1. Application & Allotment Register

ANNEXURE- B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March 2014.

| Sl. No. | Form No./ Return | Filed U/S | For | Date of Filing | Whether filed within Prescribed time | If delay in filing whether requisite additional fee paid |
|---|---|---|---|---|---|---|
| 1 | Form 32 | 303(2) | Cessation of Mr. Banwarilal Goenka from post of Director w.e.f 01.10.2012 | 28.06.2013 | NO | YES |
| 2 | Form 66 Compliance Certificate | 383A | Year ended 31.03.2013 | 17.10.2013 | YES | N.A |
| 3 | Form 62 | 58A | Statement in Lieu Advertisement | 28.10.2013 | YES | N.A |
| 4 | Form 23AC XBRL & 23ACA XBRL Balance Sheet & PL Account | 220 | Year ended 31.03.2013 | 28.10.2013 | YES | N.A |
| 5 | Form -23 | 192 | Registration of Resolutions dt 28.09.2013 | 28.10.2013 | YES | N.A |
| 6 | Form 25C | 269(2) | Reappointment of Mr. Rajesh Goenka as WTD w.e.f. 01.09.2013 | 15.11.2013 | YES | N.A |
| 7 | Form 1 INV | Rule 3 of IEPF Rules 2012 | Deposit of unclaimed/unpaid dividend | 15.11.2013 | YES | N.A |
| 8 | Form -32 | 303(2) | Cessation of Mr. Ashok Bhat from post of Director w.e.f 20.11.2013 | 21.11.2013 | YES | N.A. |
| 9 | Form 20B Annual Return | 159 | upto AGM held on 28.09.2013 | 27.11.2013 | YES | N.A |
| 10 | Form 5 INV | Rule 3 of IEPF Rules 2012 | Statement of unclaimed /unpaid amount upto AGM dated 29.09.2012 | 27.02.2014 | NO | - |
| 11 | Form 5 INV | Rule 3 of IEPF Rules 2012 | Statement of unclaimed / unpaid amount upto AGM dated 28.09.2013 | 27.02.2014 | NO | - |

Signature to Annexure – "A" & "B"

## 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 six Directors. The Board comprises of one Executive and five Non Executive Directors, of these five non executive Directors four are independent 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 | 4 | 3 |
| Mr. Jagdish Chand Kumbhat | Non-Executive / Independent | 4 | - | - |
| Mr. Rajkumar Bajoria | Non-Executive / Independent | 1 | - | - |
| Mr. Rajesh Goenka | Executive / Non-Independent | 3 | - | - |
| Dr. Subash R. Kamath | Non-Executive / Independent | 0 | - | - |
| Mr. Vinod Kumar Singhi | Non-Executive / Independent | 0 | - | - |

**Inter Director Relationship:**

Mr.Ashok Kumar Goenka – Brother of Mr.Rajesh Goenka
Mr.Rajesh 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 | 3 | Yes |
| Mr.Jagdish Chand Kumbhat | 7 | 6 | Yes |
| Mr.Rajkumar Bajoria | 7 | 6 | Yes |
| Mr.Rajesh Goenka | 7 | 7 | Yes |
| Dr.Subash R. Kamath | 7 | 6 | Yes |
| Mr.Vinod Kumar 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.