

N G INDUSTRIES LTD
CIN:L74140WB1994PLC065937

ANNUAL REPORT 2019-2020

BOARD OF DIRECTORS : Mr. Rajesh Goenka, Chairman & Whole-time Director
Mr. Raj Kumar Bajoria
Mr. Jagdish Chand Kumbhat
Ms. Neha Goenka

CHIEF FINANCIAL OFFICER : Mr. Santosh Kumar Thakur

COMPANY SECRETARY : Mr. Dipak Kumar Shaw

AUDITORS : Pushpendra Jain & Co.

BANKERS : Allahabad Bank
Axis Bank Ltd.
HDFC Bank Ltd.
Standard Chartered Bank
State Bank of India

REGISTERED OFFICE : 1st Floor
37A, Dr Meghnad Saha Sarani,
Kolkata – 700 029
Phone: 033 2419 7542, 80175 20040
E-mail: ngmail@ngil.co.in
Website: www.ngind.com

DIVISIONS : 1. N G Medicare &
Calcutta Hope Infertility Clinic
123A, Rash Behari Avenue,
Kolkata – 700 029
: 2. N G Nursing Home
23, Dr Meghnad Saha Sarani,
Kolkata – 700 026
: 3. N G Pharmacy
-123A, Rash Behari Avenue,
Kolkata – 700 029
- 23, Dr Meghnad Saha Sarani,
Kolkata – 700 026

**REGISTRARS & SHARE
TRANSFER AGENTS** : S. K. Infosolutions Pvt Ltd
34/1A Sudhir Chatterjee Street,
Kolkata - 700006

LISTING OF SHARES : 1. The Calcutta Stock Exchange Limited
2. Bombay Stock Exchange Limited

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DIRECTORS' REPORT TO THE MEMBERS:

Your Directors have pleasure in presenting the 26th Annual Report on the affairs of the Company together with the Audited Financial Statements for the financial year ended on 31st March, 2020.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2020 is summarized below:

Particulars	2019-20 (₹ in lakhs)	2018-19 (₹ in lakhs)
Income from Operations	1850.16	1766.66
Other Income	(4.42)	(33.97)
Total Income	1845.74	1732.69
Total Expenditure	1643.02	1559.70
Profit before Taxation	202.72	172.99
Less Tax Expenses	56.09	60.50
Profit after Tax	146.63	112.49
Other Comprehensive Income (net)	(168.81)	(58.68)
Total Comprehensive Income	(22.18)	53.81
Dividend distributed	117.27	117.27
Tax on Dividend	24.10 [#]	24.10 [*]
Earnings per Share (₹)	4.38	3.36

*Pertaining to dividend for the financial year 2017-18

Pertaining to dividend for the financial year 2018-19

OPERATIONS AND PROSPECTS :

Your company throughout the year, faced competitive and other industry specific challenges through improved quality of services, better in-house training, obtaining accreditations and extensive customer feedbacks and quality audits, transparency of dealing with all customers with more intensive communication and other measures. Covid-19 pandemic affected the Company's operations in March particularly and despite this, we are happy to report that the year has shown 12 % growth in operational revenue of **N G Nursing Home**- the indoor division of the company and 7.8 % growth in revenue of **N G Pharmacy**- the retail Pharmacy division of the company. However, we faced a minor dip in operating revenue, to the extent of 1.23 % in case of "**N G Medicare & Calcutta Hope Infertility Clinic**"- the Diagnostics Division of the company. The overall operational revenue of your Company for the year grew by 4.73 %.

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Directors' Report (Contd.)

COVID 19 and its Impact:

The Company has just released a detailed disclosure regarding its experience under Covid-19 lockdown and the consequent impact of this pandemic on the company's operations. This disclosure dated 4th June 2020, is uploaded in the Company's website under 'Information & Circulars for Shareholders'.

Covid-19 pandemic has affected your company's revenues and profitability in the last quarter and continues to do so at present. Despite these challenges, we consider your company's performance for the year 2019-2020 as satisfactory and believe that the outlook of the company can be in line with its earlier consistent performance once the country as a whole is able to get over the effects of the Covid-19 pandemic. The Company is, in the medium term geared up with suitable strategies and policies to sustain the challenges posed by this Covid-19 pandemic and to protect the interests of all its stakeholders.

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

DIVIDEND AND TRANSFER TO RESERVE:

In the prevailing circumstances, conserving funds is felt to be prudent. In this context, your Directors have felt that the profit for the financial year ended 31st March, 2020, have been inadequate and therefore your Directors have not recommended any dividend for the year. Also, the Board of Directors of the Company has decided not to transfer any amount to the Reserves for the year under review.

TRANSFER OF DIVIDEND AND CORRESPONDING EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND:

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), dividends not ^{encashed} / claimed within seven years from the date of transfer to unpaid dividend account are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate Companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF

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Directors' Report (Contd.)

Authority and simultaneously published newspaper advertisement. List of such shareholders are also posted on the website (www.ngind.com) of the Company.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, Rs. 52,283 of unpaid / unclaimed dividends and 1,301 shares were transferred during the financial year 2019-20 to the Investor Education and Protection Fund.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2019 on the Company's website at www.ngind.com and on the website of the Ministry of Corporate Affairs at www.iepf.gov.in.

DETAILS OF DEMAT/UNCLAIMED SUSPENSE ACCOUNT:

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

DISCOUNT TO SHAREHOLDERS :

The Company has decided to offer a discount of 15% to all shareholders of the Company on all the diagnostic services being offered by us. The shareholders availing the discount will be required to state their Folio number/DP ID and produce only identity documents.

AUDITORS:

M/s. Pushpendra Jain & Co., Chartered Accountants, Kolkata, (Firm Registration No. 320233E) holds office of the Auditors of the Company until the conclusion of the ensuing 26th AGM of the Company. Accordingly, the Company is required to appoint new Auditors in place of the retiring Auditors.

The Board of Directors on the recommendation of the Audit Committee has recommended to the members of the Company for re-appointment of M/s Pushpendra Jain & Co., Chartered Accountant, Kolkata (Firm Registration No. 320233E) as Statutory Auditors of the Company for a term of one year commencing from the conclusion of the 26th AGM till the conclusion of the 27th AGM.

AUDITORS' REPORT :

The Auditors' Report on the financial Statement of the Company forms part of the Annual Report. There is no qualification, reservation, adverse remark, disclaimer or modified opinion in the Auditors' Report, which calls for any further comments or explanations. Further during the year under review, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, and therefore no details are required to be disclosed pursuant to Section 134(3)(ca) of the Companies Act, 2013.

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Directors' Report (Contd.)

DIRECTORS & KEY MANAGERIAL PERSONNEL :

Mr. Rajesh Goenka, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment in the ensuing Annual General Meeting.

Mr. Rajesh Goenka, designated as Whole-time-Director & Chairman, Mr. Santosh Kumar Thakur as Chief Financial Officer and Mr. Dipak Kumar Shaw as Company Secretary & Compliance Officer, are identified as Key Managerial Personnel of the Company.

SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES :

The Company does not have any Subsidiary/ Joint venture or Associate Company within the meaning of the Companies Act, 2013.

WHISTLE BLOWER MECHANISM :

This has been discussed in detailed in Corporate Governance Report, forming part of this Report.

LOANS, INVESTMENT AND GUARANTEES BY THE COMPANY :

During the year under review, 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.

MEETINGS OF BOARD :

Six Meetings of the Board of Directors were held during the year. For details relating to composition and dates of meeting please refer to clause 2 of report on Corporate Governance, which forms part of this Annual Report.

DETAILS OF THE 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 2019-20 and meeting attended by each member of the Committee as required under the Companies Act, 2013, are provided in Corporate Governance Report forming part of this Annual Report.

The Recommendations by the Audit Committee, as and when made, to the Board have been accepted.

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Directors' Report (Contd.)

DIRECTOR REMUNERATION POLICY:

The Company has followed a Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and senior management personnel. The criteria for determining qualifications, positive attributes, independence of a Director, performance evaluation of Board, Committees and the Directors are laid down under the Nomination and Remuneration Policy of the Company.

The performance evaluation of the Board, its Committees and of individual Directors was made by structured questionnaire and the Directors were satisfied with the evaluation process. Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company may be accessed on the Company's website at <http://www.ngind.com/docs/Nomination%20and%20Remuneration%20Policy.pdf> link: <http://www.ngind.com/docs/Nomination%20and%20Remuneration%20Policy.pdf> The recommendation made by the Nomination and Remuneration Committee were accepted by the Board. The above policy was amended by Board on 14.02.2020.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS:

Pursuant to Section 149(7) 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 Section 149(6) of the Act read with Regulation 16(1)(b) of SEBI (LODR) Regulation, 2015.

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 the 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 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 2019-20, no complaints were received by the said committee. The Company's Policy for Prevention, Prohibition and Redressal of Sexual Harassment may be accessed on the Company's Website at the following link <https://ngind.com/docs/Policy%20for%20Prevention,%20Prohibition%20&%20Redressal%20of%20sexual%20harassment.pdf>.

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Directors' Report (Contd.)

LISTING WITH STOCK EXCHANGES :

As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby declares that the Listing of its Shares at The Calcutta Stock Exchange Ltd. as well as BSE Ltd 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**.

The Company has not issued any sweat equity shares, bonus, employee stock option and not called for buyback of shares during the current financial year. Directors also confirm that there are no shares under suspense status.

COST AUDIT :

Cost Audit is not applicable to the Company.

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

The particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 are as follows

A. CONSERVATION OF ENERGY

(i) The steps taken / impact on conservation of energy;

The operations of the Company, being healthcare establishment, the Company is taking every necessary step to reduce the consumption of energy.

(ii) The steps taken by the Company for utilizing alternate source of energy;

Your Company is exploring the possibility of utilizing alternate sources of energy, which may be taken up for future Implementation when found to be credible and viable.

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Directors' Report (Contd.)

(iii)The capital investment on energy conservation equipment;

Though investments have been made in areas like change over to LED lights, Energy audits, load balancing, replacement with energy saving air conditioners etc no specific budgets or heads of such are accounted for, in view of major energy specific project being yet to be taken up.

B. TECHNOLOGY ABSORPTION

The nature of the Company's operations being healthcare delivery, the required information in the prescribed manner is considered to be not applicable to the Company.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

During the year under review, there were no inflow but outgo of ₹2,45,642 of Foreign Exchange.

RISK MANAGEMENT:

The provisions relating to composition of a Risk Management Committee are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions relating to Corporate Social Responsibility are not applicable to the Company

PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION:

Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I: Ratio of remuneration of each Executive Director to median remuneration of the employees of the Company for the financial year 2019-20, percentage increase in remuneration of Directors, Chief-Financial Officer and Company Secretary during the financial year 2019-20:

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Directors' Report (Contd.)

Sl. No.	Name of Director(s)/KMP	Designation	Ratio of remuneration of director to median employee remuneration	Percentage increase in Remuneration
1	Rajesh Goenka	Chairman & Whole-time Director	13.5:1	47.95
2	Santosh Kumar Thakur	CFO	-	12.85
3	Dipak Kumar Shaw	Company Secretary	-	16.08

ii: The percentage increase in the median remuneration of Employees for the financial year was 2.20

iii: The Company has 77 permanent employees (excluding Whole-time Director) on the rolls of the Company as on 31st March, 2020

iv It is hereby affirmed that the remuneration paid during the year, is as per the Remuneration Policy of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT :

Your Directors state that:

- In the preparation of the annual accounts for the financial year ended on 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- Such accounting policies have been selected and applied 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 as at 31st March, 2020 and of 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 Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- internal financial controls have been laid down so that the same can be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

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Directors' Report (Contd.)

MANAGEMENT DISCUSSION & ANALYSIS

Our discussion & analysis may be perceived as repetitive over the years but constitutes the essence of wisdom about our field of operations as assimilated by us over two decades of experience.

A) INDUSTRY STRUCTURE & DEVELOPMENT:

Rising incomes in the hands of our citizens, increase in health awareness in society at large, increasing population of older citizens, new technologies in the sector, longer life expectancy, health insurance penetration and medical tourism are contributing to the growth in healthcare sector. The new health Insurance scheme announced by the union government, when fully implemented, will further increase penetration of insured healthcare in the country.

Covid-19 is an unprecedented, new, unknown, disruptive development which has hit globally as a whole including all countries, economies, sectors, companies and has affected in more ways than one can imagine and is still unfolding. The Company has released separate disclosure regarding impact of the pandemic and the challenges it has posed and same is available on our website under "Information & Circulars for Shareholders"

B) OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

Opportunity for the Company are inherent in the sectors we operate in and are already covered in above paragraph (A).

Slowdown in economy, especially if, in the services or retail sector affects most businesses including healthcare. The healthcare business runs the risk of unfavorable publicity in case of unsuccessful treatment, translating into reduction of patient flow, risk of good professionals leaving the Company and it stands to lose years of, on job training and risk of independent Doctors beginning to refer patients elsewhere.

Healthcare establishments have faced mob violence and damage to property, increased litigation for award of compensation on sometimes frivolous grounds, doctors have been taken to Medical council for action on grounds of negligence etc. This challenge will have to be met by all, with more transparent and diligent services. The recent pandemic has also added to the major challenges in terms of employee attrition as well as professional changes being adopted by doctors as well as paramedical professionals. It is however too early to assess these challenges at the moment and the company however recognizes these issues as concerns.