

# 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.

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

### **Audit Committee Meeting and attendance during the year**

During 2010 - 2011 The Audit Committee Meetings were held on 29.05.2010, 30.07.2010, 29.10.2010 & 11.02.2011.

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 2010-2011.

### **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 2010-2011, One share transfer committee meeting was 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 2010-2011 The Shareholders/Investors grievances Committee Meetings were held on 29.05.2010, 30.07.2010, 29.10.2010 & 11.02.2011.

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, 2011.

**8. Remuneration Committee**

Matters of remuneration of Executive Directors are considered by Remuneration Committee before placing to the Board of Directors of the Company, with the interested Executive Director(s), not participating or voting. The terms of remuneration of Executive Directors are approved by the Shareholders at the General Meeting. Remuneration Committee is comprising of three Directors, Mr.Raj Kumar Bajoria, Chairman, Mr.Vinod Singhi and Mr.Jagdish Chand Kumbhat. All of them are independent and non-executive Directors. During the Financial Year 2010-11, one of Remuneration Committee Meeting was held on 11.02.2011.

The Company has policy to pay commission on net profits to two executive Directors. The details of remuneration paid to the Directors are mentioned below:-

Name of Director	Sitting fee	Salary & perks	Commission	Total
Mr. Ashok Kumar Goenka	3500	N.A.	N.A.	3500
Mr. Ashok Bhat	N.A.	268800	205449	474249
Mr. Banwari Lal Goenka	3500	N.A.	N.A.	3500
Mr. Jagdish Chand Kumbhat	3000	N.A.	N.A.	3000
Mr. Raj Kumar Bajoria	3000	N.A.	N.A.	3000
Mr. Rajesh Goenka	N.A.	268800	205449	474249
Dr. Subash R. Kamath	3500	N.A.?	N.A.?	3500
Mr. Vinod Singhi	3500	N.A.	N.A.	3500

The Company does not have any stock option scheme.

The present appointment of Mr.Ashok Bhat and Mr.Rajesh Goenka is from 1<sup>st</sup> September 2008 to 31<sup>st</sup> August, 2013.

**9. Board Meetings and Procedures**

The Board of Directors met for seven times during the year as mentioned in the beginning. The Agenda papers were sent to all the Directors well in advance for each Meeting and the management presented before the Board all statutory and other important items as recommended by the SEBI Committee including operational plans and budgets, matters relating to work force and details of foreign exchange exposures and exchange rate movement.

**10. Details of General Meetings****Location and time for last three Annual General Meetings held:**

Year	Location	Date	Time
2007-2008	Community Hall, Jay Jayanti Building 2A, Mandeville Gardens, Kolkata- 700 019	27.09.2008	11.00 A.M.
2008-2009	Community Hall, Jay Jayanti Building 2A, Mandeville Gardens, Kolkata- 700 019	19.09.2009	11.00 A.M.
2009-2010	Community Hall, Jay Jayanti Building 2A, Mandeville Gardens, Kolkata- 700 019	25.09.2010	11.00 A.M.

All the Resolutions including the Special Resolutions set out in the respective notices were passed by the Shareholders. No postal ballots were used for voting at these Meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

There was no Extra-Ordinary General Meeting held in the three years and no resolution was put through postal ballot.

**11. Certificate from Wholetime Director and Chief Financial Officer**

Certificate from Mr. Rajesh Goenka, Wholetime Director and Chief Financial Officer, in terms of Clause 49 (V) of the Listing Agreement with the Stock Exchange for the financial year ended March 31, 2011 was placed before the Board of Directors of the Company in its meeting held on May 30, 2011.

**12. Disclosures**

- a) The Company had no materially significant related party transactions, which was considered to have conflict with the interest of the Company at large.
- b) There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- c) The Company has complied with all the applicable mandatory and non-mandatory requirements of the revised Clause 49 of the Listing Agreement.

**13. Means of Communication**

**a) Results published in the Newspapers:**

Quarterly Results                      Quarterly Results were published in The Financial Express and Lotery Sambad and also informed to all the Stock Exchanges where the Shares are listed through fax/speed post.

Half Yearly Results                      Half Yearly Results were published in The Financial Express and Lotery Sambad and also informed to all the Stock Exchanges where the Shares are listed through fax/speed post.

**b) Official News release**      Not Issued

**c) Presentation to  
Institutional Investors**      Not done.

**d) Management Discussion Analysis Report forms part of the Annual Report.**

**14. General Shareholders Information**

**a) Annual General Meeting:**

**Date and time**                      : 24th September, 2011 at 11.00 A.M.  
**Venue**                                      : Community Hall, Jay Jayanti Building, 2A, Mandeville Gardens, Kolkata - 700019.

**b) Date of Book Closure**              : Tuesday, 20th September, 2011 to Saturday, 24th September, 2011 (both days inclusive)

**c) Dividend payment Date**        : On or before 24th October, 2011. Payment of Dividend is subject to the approval of the members of the Company at the forthcoming Annual General Meeting.

**d) Listing at Stock Exchanges :** The Company's Equity Shares are listed at the following Stock Exchanges :

1. The Calcutta Stock Exchange Association Ltd.
2. Bombay Stock Exchange Ltd.

Listing Fee for the year 2010-2011 has been paid to the Stock Exchange(s) within the stipulated time.

**e) Stock Code Physical :** 1. The Calcutta Stock Exchange Association Ltd. Code – 10024075  
2. Bombay Stock Exchange Ltd. Code – 530897

**Demat ISIN Number for NSDL & CDSL :** INE825C01018

**f) Website :** The Company has put up a website [www.ngind.com](http://www.ngind.com) with all information for shareholders.

**g) Registrar and Share Transfer Agent :** M/s. S.K.Computers  
34/ 1A, Sudhir Chatterjee Street, Kolkata – 700006  
Phone: 033 2219 6797 Fax: 033 2219 4815  
Email: skcomputers\_kolkata@vsnl.net

#### **h) Stock Market Data**

The month wise High & Low quotations of the Shares Traded during April, 2010 to March, 2011 at CSE and BSE.

Month	The Calcutta Stock Exchange Association Limited (CSE)			Bombay Stock Exchange Limited (BSE)		
	Month's High Price	Month's Low Price	Volume	Month's High Price	Month's Low Price	Volume
April, 2010	-	-	-	61.60	51.50	7664
May, 2010	-	-	-	60.00	53.10	2878
June, 2010	-	-	-	61.00	55.00	8329
July, 2010	-	-	-	76.60	56.60	47163
August, 2010	-	-	-	74.70	68.30	21554
September, 2010	-	-	-	82.95	66.20	49875
October, 2010	-	-	-	80.00	66.65	9679
November, 2010	-	-	-	83.50	62.00	6868
December, 2010	-	-	-	84.90	65.50	8488
January, 2011	-	-	-	75.55	60.55	4027
February, 2011	-	-	-	64.90	53.25	5096
March, 2011	-	-	-	64.55	54.00	5879
Total						177500

**i) a) Shareholding pattern as on 31st March, 2011**

SL. No.	Category	No of Shares (Issued Equity)	Percentage
1.	Promoters	2362473	70.51
2.	Indian Financial Indtutions, Bank, Mutual Funds	-	-
3.	Foreign Institutions Investors/ NRIs	896	0.03
4.	Other	987131	29.46
	<b>Total</b>	<b>3350500</b>	<b>100.00</b>

**b) Distribution of Shareholding as on 31st March, 2011**

Shareholding of normal Value of Rs.	Shareholders Folios		No. of Shares	
	No. of Shareholders	% to Total	No. of Equity Shares	% to Total
Upto- 5000	706	79.24	102152	3.05
5010- 10000	70	7.86	56668	1.70
10010- 20000	30	3.36	42284	1.26
20010- 30000	18	2.02	45235	1.35
30010- 40000	11	1.23	38026	1.13
40010- 50000	5	0.56	25000	0.75
50010- 100000	12	1.35	88273	2.63
100010- 500000	25	2.81	676863	20.20
500010- 1000000	8	0.90	523599	15.63
1000010 and above	6	0.67	1752400	52.30
Total	891	100.00	3350500	100.00

**j) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity :** The Company has not issued any of these instruments so far.

**k) Divisions**

1. N.G.Medicare & Calcutta Hope Infertility Clinic  
123A, Rash Behari Avenue, Kolkata – 700029
2. N.G.Nursing Home  
23, Meghnad Saha Sarani  
(Renamed from Southern Avenue), Kolkata -700026
3. N. G. Pharmacy  
- 123A, Rash Behari Avenue, Kolkata - 700029  
- 23, Meghnad Saha Sarani, Kolkata - 700026

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

### **l) Dematerialisation of Shares**

The Company has an Agreement with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) so that Shareholders of the Company could avail the benefits of the multi depository systems. Upto 31st March, 2011, 684663 Shares representing 20.43% of the total Share capital are already under demat which has resulted in reducing the physical delivery related problems to a large extent.

### **m) Financial Calendar (Tentative and subject to change) for the year 2011-2012**

Financial reporting for the first quarter ending, 30th June, 2011	July, 2011
Financial reporting for the second quarter ending, 30th September, 2011	October, 2011
Financial reporting for the third quarter ending, 31st December, 2011	January, 2012
Financial reporting for the year ending 31st March, 2012	May, 2012
Annual General Meeting for the year ending 31st March, 2012	September, 2012

### **n) Investors correspondence may be addressed to**

M/s.S.K.Computers  
34/1A, Sudhir Chatterjee Street, Kolkata – 700006, Tel: 22196797, email  
:skcomputers\_kolkata@vsnl.net

Or

Director, N.G.Industries Ltd.  
3rd Floor, 17, Chittaranjan Avenue, Kolkata – 700072, Tel: 22128345, email : ngmail@vsnl.com

Shareholders holding Shares in electronic mode should address all their change of registered address to their respective Depository Participants.

### **o) Declaration by the Whole-time-Director on the Code of Conduct**

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, I, Rajesh Goenka, Whole-time-Director of N.G.Industries Limited, declare that all the Board Members and senior Executives of the Company have affirmed their compliance with the Code of Conduct of the Company during the financial year 2010-2011.

Kolkata  
30th day of May, 2011

Rajesh Goenka  
Whole-time-Director



**Whole-Time-Director & CFO Certification**

The Board of Directors  
N.G. Industries Limited  
Kolkata

**Re : Financial Statements for the Financial Year 2010-2011 Certification by Whole-Time-Director & CFO**

We, Rajesh Goenka, Whole-Time-Director & CFO and Mr.Ashok Bhat, Whole-Time-Director of N.G.Industries Limited, on the basis of the review of the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2011 and to the best of our knowledge and belief, hereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31<sup>st</sup> March, 2011 which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or propose to take rectify these deficiencies.
5. We have indicated to the Auditors & the Audit Committee:
  - a) there have been no significant changes in internal control over financial reporting during this period.
  - b) there have been no significant changes in accounting policies during this period.
  - c) there have no instances of significant fraud of which we have become aware and the involvements therein of management or an employee having significant role in the company's internal control systems over financial reporting.

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

Rajesh Goenka  
Whole-time-Director &  
Chief Financial Officer

Ashok Bhat  
Whole-time-Director

# **N.G. INDUSTRIES LIMITED**

## **AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

### **To the members of N. G. Industries Limited**

We have examined the compliance of the conditions of Corporate Governance by N.G. Industries Limited during the year ended 31st March, 2011 as stipulated in clause 49 of the listing agreement of the said Company with stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2011, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.R.SINGHWI & COMPANY  
Chartered Accountants  
Firm Registration No.312121E

Place : Kolkata

Dated : 30th day of May, 2011

CA. M. R. SINGHWI  
Partner

Membership No.050650