

Transcript
29th Annual General Meeting of N G Industries Limited
30th September, 2023 through VC/OAVM at 10.30 a.m. IST to 11:26 a.m. IST

PARTICIPANTS:

Mr. Rajesh Goenka
Chairman

Mr. Jagdish Chand Kumbhat
Independent Director and Chairman of Audit Committee and Stakeholder Relationship Committee

Mr. Raj Kumar Bajoria
Independent Director and Chairman of Nomination and Remuneration Committee

Mrs. Neha Goenka
Non-Executive Non-Independent Director

Mr. Santosh Kumar Thakur
Chief Financial Officer

Mr. Dipak Kumar Shaw
Company Secretary & Compliance Officer

M/s M.R. Singhwi & Co.
Statutory Auditor

Mr. Sahadeb Rath
Secretarial Auditor & Scrutinizer

Moderator & Shareholders

Welcome Address: Dipak Kumar Shaw

Dear Shareholders,

A very good morning to all of you. I, Dipak Kumar Shaw, Company Secretary & Compliance Officer of the Company. I am very pleased to welcome you to the 29th AGM of N G Industries Limited, held through Video Conference/Other Audio-Visual means. This is our 4th time, we are convening this meeting through video conference.

Before we start, I would like to take you through certain points regarding the participation at this meeting. The facility of joining this meeting through Video Conferencing/Other Audio-Visual Means is being made available for all members on first come first serve basis. All members who have joined this meeting will be placed on mute mode by the host to avoid any disturbance arising from background noise and ensure smooth and seamless conduct of the meeting. Once the question / answer session starts, the Chairman will announce the name of the shareholders who have registered as speakers, one by one. The speaker shareholder will thereafter be unmuted by the host. To start speaking, the speaker shareholders are requested to click the video on button. If the speaker shareholder is not able to join this meeting through video conference for any reason, the shareholder can speak through audio mode. We would request the speaker shareholder to use ear phones so that he is clearly audible, minimize any noise in the background, ensures that Wi-Fi is not connected to any other devices, no other background applications are running and there is proper lighting to have good audio and video experience. If there is any connectivity problem at the speaker shareholder's end, we would ask the next shareholder to join. Once the connectivity improves, the speaker shareholders will be called again to speak once the other shareholders who have registered as speakers have completed their turn. We would like to request the shareholders to limit their speech to 3-5 minutes.

During the AGM, if any member facing any issues, he may contact the helpline number mentioned in the notice of AGM.

I will now handover the proceeding of the meeting to Mr. Rajesh Goenka, Chairman of the company.

Thank You. Over to you Sir.

Mr. Rajesh Goenka

Thank You Dipak

Good Morning Shareholders,

I would like to welcome all of you to the 29th AGM of N G Industries Limited. As the requisite quorum is present, now I call the meeting to order. All the Directors have joined this meeting through Video Conferencing. Now I would like to introduce all of them. As I introduce, the camera will focus on them and I would request the Directors to greet the shareholders. Mr. Jagdish Chand Kumbhat.

Jagdish Chand Kumbhat

Good Morning everyone. I am Jagdish Chand Kumbhat, an Independent Director of the Company and Chairman of Audit and Stakeholder Relationship Committee. I am attending this meeting through video conferencing from my residence in Kolkata. Thank you very much.

Mr. Rajesh Goenka

Thank You Mr. Kumbhat. I would now request Mr. Raj Kumar Bajoria to greet the shareholders. Mr. Raj Kumar Bajoria.

Raj Kumar Bajoria

Good Morning everyone. I am Raj Kumar Bajoria, an Independent Director of the Company and Chairman of Nomination and Remuneration Committee. I am attending this meeting through video conferencing from my residence in Kolkata.

Mr. Rajesh Goenka

Thank You Mr. Bajoria. I would now request Mrs. Neha Goenka to greet the shareholders.

Mrs. Neha Goenka

Good Morning everyone. I am Neha Goenka, Non-executive and non-independent Director of the Company and am attending this AGM through Video Conference from my office in Kolkata.

Mr. Rajesh Goenka

Thank you Neha. Mr. Santosh Kumar Thakur, Chief Financial Officer of the Company has joined this meeting through Video Conferencing from the registered Office of the Company in Kolkata. Mr. Ajit Singh, authorized representative of M/s M.R. Singhwi & Co., statutory auditor of the Company and Mr. Sahadeb Rath, Secretarial Auditor of the Company have joined this meeting through video conferencing from their respective locations.

I thank all the members for joining this meeting. I hope the members are safe and in good health. We are for the 4th time holding this AGM through Video Conferencing. This is in compliance with the directions of the Ministry of Corporate Affairs & SEBI Listing Regulations.

A live streaming of this meeting is also webcast on the NSDL's website. The Company has taken the requisite steps, enables members to participate and vote on the items being considered at this AGM. Since there is no physical attendance of members, the requirement of appointing a proxy is not applicable. The registers as required under the Companies Act, 2013 are open for inspection by the members electronically. Members, who have not voted earlier through remote e-voting, can cast their vote in the course of the meeting through e-voting facility. The notice convening the meeting is already circulated to all members. With your permission I take the notice as received and read.

I will first read out the opening part of our Directors report which explains and replies most of the questions that are in the minds of our members

OPERATIONS AND PROSPECTS:

As we report today, we can thankfully say that we have finally put behind us the Covid-19 Pandemic and its related disruption, which for the last three years (2020-21 to 2022-23) has made us in every sphere to relook at various aspects of our functioning with a new and fresh perspective. We can thankfully put behind us a period in the history of mankind, fraught with fear, uncertainty and disruption. We, as a Company thankfully can look back with satisfaction to have navigated our enterprise through this period with no loss of lives amongst our employees and Doctors, no retrenchment or job losses for our employees, no losses in our books which remained healthy throughout, without practically any borrowings.

The long-term impact of Covid-19 pandemic and its related activities like Covid-19 vaccination have affected the company's operational revenues and profitability for the year. The year saw consolidation of our operations and operational revenues grew nominally. However, the company could achieve significant other income generated out of prudent churning of Investments as well as dividends from its portfolio.

We would not like to revisit details of Covid-19 related impact, which we have done in the past two year's reports / AGMs wherein we have explained as to how the Companies' operations, market outreach, product menu, doctor referral base, among other things were disrupted and that it has left us with some long-term challenges as well, which would mean rebuilding of business ecosystem once again in a new competitive environment, which will be our objective in the coming years.

The Company has embarked on this objective like efforts to create a new customer base, upgrading and adding new services, engaging with new corporates and consultants etc. Some of other steps underway in this direction are installation of higher end CT Scan Machine which would be operational from July 2023, investing in new upgraded CR Digitizer system from Agfa Healthcare India for upgraded Radiological services, procurement of Gastroscopy Unit for stepping up endoscopy / colonoscopy services etc.

Diagnostics business is also increasingly getting competitive with large pan-India players as well as online pharmacy companies and others jumping into the fray and price competitiveness at cost of quality just for sake of market share is an area of concern. This has happened in other sectors as well.

We had in our last year's report stated about Covid-19 vaccination operations and that it posed separate business risks with respect to unexpected turn of pandemic responses and accompanying government policy changes from time to time and uncertainties with respect to expiry period and dead stocks. Low demand for vaccines, even for booster shots, since October/November 2022 was at the root of the problem - Specially after withdrawal of restrictions that made vaccination certificates mandatory. Plus, there has been no major outbreak since July last year. There was a sudden surge in Covid-19 vaccinations after December 22nd when the union health ministry had issued an advisory asking the state governments to be prepared for a fresh rise in cases. But the demand again fell after a few days. The sudden fall in the COVID -19 transmission, decline in positivity rates of RT PCR tests everywhere and most importantly the then prevalent Omicron variants having been found to be not leading to any severe symptoms, lead to the negation of the so-called 4th wave possibility and finally lead to an end of the Pandemic. This brought vaccination activities to a trickle and we had to carry stocks which on expiry, lead to losses in this activity, effecting profitability as well as revenue during the year. The vaccination activity, however, enabled thousands of additional, never before footfalls in our premises and has built up our goodwill and this will strengthen our Brand recall in future. We have also moved on to using our Vaccination infrastructure to pursue other Immunizations like Pneumonia, Influenza, HPV etc.

We consider your company's performance for the year 2022-23 as satisfactory in the context of the pandemic and vaccine related fallout and believe that the outlook of the company can be one of further recovery and consolidation and we hope the same to be achieved in the coming years.

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

DIVIDEND AND TRANSFER TO RESERVE:

The Board is pleased to recommend a dividend of ₹ 3.50 per Equity Share of ₹ 10 each (i.e. 35%) for the year ended March 31, 2023. The said dividend on equity shares is subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") scheduled to be held on Saturday, September 30, 2023. Dividend will be paid after it is approved at the forthcoming Annual General Meeting. Also, the Board of Directors of the Company has decided not to transfer any amount to the Reserves for the year under review.

Let us now proceed with the business before this meeting. The notice dated 19th May, 2023 convening this Annual General Meeting along with Reports and Accounts for the financial year ended 31st March, 2023 have been sent in conformity with the applicable regulatory requirements through electronic mode to those members who have registered their e-mail addresses with the Company or Depository. With your permission I shall take them as read. I will now cover the agenda items. Out of all the 3 (three) agenda items, all the 3 agenda items are ordinary business.

The first item on agenda relates to adoption of financial statement of the Company for the Year ended 31.03.2023, and the report of the Board of Directors and Auditor thereon.

The second item relates to the declaration of dividend of Rs. 3.50 per equity shares of face value of Rs. 10 each.

The third item relates to the re-appointment of Ms. Neha Goenka, who retired by rotation and is eligible offer herself for re-appointment.

Now I request Dipak Kumar Shaw, our Company secretary to explain the process of e-voting on the resolutions of the meeting. Over to you Dipak

Dipak:

Thank you, sir

The Companies Act, 2013 and SEBI listing regulations provide for electronic voting. Accordingly, the Company had provided to its members the facility to cast their vote through remote e-voting administered by NSDL. Facility for voting at the meeting is also provided for members attending this meeting and who had not already voted. Members may please go to the voting page of the NSDL e-voting website and cast their vote while at the same time watch the proceedings of the meeting. Mr. Sahadeb Rath, Practising Company Secretary has been appointed as scrutinizer to scrutinize the votes cast at this meeting and through remote e-voting. Since the AGM has been held through VC/OAVM and the resolutions mentioned in the notice convened this AGM have already been put to vote through remote e-voting, so there will be no proposing and seconding the resolutions.

Thank you. Over to you, sir.

Chairman:

Thank you Dipak.

Now I would like to invite the shareholder members who have registered to speak. Our first registered speaker is Ms. Lily Pradhan.

Ms. Lily Pradhan:

Good Morning respected chairman and viewers. I am Lily Pradhan from Kolkata. First of all I give my respect to the Board, Respected Chairman and respected Company Secretary and the entire secretarial Department. I received Annual Report and I am glad to see the Company's performance is developing day by day. I have put some specific question in the present situation. What is the aim and objective of the future development of the Company? Thank you so much. All the best

Chairman:

Thank you Mrs Pradhan. Our next speaker is Mr Bimal Krishan Sarkar.

Mr. Bimal Krishan Sarkar

Very Good Morning Sir, I am Bimal Krishan Sarkar, an equity shareholder of your company. Sir, I am speaking from Kolkata. I am thankful to the Chairman for giving an excellence performance this year. I am also thankful to the Company Secretary for giving me the soft copy of Annual Report in time. Sir I am requesting you to please send me hard copy of the Annual Report, as this is mandated by the SEBI. This year Company performance was good and even Company is declared dividend of Rs 3.50 per equity shares. Since the Company is engaged in healthcare activity, I am requesting the Chairman to consider, if possible, to adopt some CSR activity for physically Challenged person. I am praying for good health for the entire team of the Company.

Chairman:

Thank you for your kind word, Mr. Sarkar. Our next speaker is Dipali Modak and Sujan Modak.

Dipali Modak/ Sujan Modak

Respected Chairman and Board Members, myself Sujan Modak joint holder with Dipali Modak. Good morning to all of you. I am attending this meeting from my residence in Kolkata. Sir, if you are looking the performance of the Company then it is good in all respect. This year Profit before tax and profit after tax has really gone up. This year Company is declaring dividend, for this I congratulate to the entire management team. Sir, I have some questions. What is the capex plan and whether the Company is going to open new nursing home or dispensary at some other place or not? If you can please tell us what is the key challenges to keep the growth momentum sustainable and how much competition we are facing from the big competitor in this field? These are the three questions I like to ask. Before I finish I would definitely thanks to Mr. Dipak Kumar Shaw, Company Secretary and his entire team for servicing the investor community. I would request the Company Secretary to ask the speakers shareholders from the next year to confirm whether they have received the link for attending the AGM or not. Thank You. Over to you sir.

Chairman:

Thank you Mr. Sujan Modak. Our next speaker is Mr. Ram Ray Bhat.

Mr. Ram Ray Bhat

Good morning sir. I am residence in Bangalore. My relatives are in Kolkata and regularly avail your service in Kolkata. It's find out to be a customer friendly place and at a prime location. I have received dividend from Company for more than 20 years. I am disappointed that the Company has chosen not to increase dividend. Would you please explain Why the Company chooses not to increase the dividend this year? Thank you.

Chairman:

Thank You Mr. Bhat. Our next speaker is Mr. Vijaya Kumar Pai.

Vijaya Kumar Pai

Good morning, sir. I am Vijayakumar pai, a shareholder. I would like to ask some questions. The first question is that does we have invested any capital equipment in our operational area and secondly, how is the pharmacy division of the Company is doing business?

Chairman:

Thank you, Mr. Pai. Our next speaker is Mr. Rajib Nath.

Co-ordinator:

Mr. Nath is not available.

Chairman:

Ok. So we will go to our next speaker. Our next speaker is Mrs Asha Goenka.

Asha Goenka

Hello. I would like to ask few questions. How would the Company come out of the stagnated level of revenue and achieve revenue growth this year. One more thing I would like to ask is, if you can explain the management's perception how it will go out into the future for the private sector after Covid. What is future level you are thinking?

Chairman:

Thank you Mrs Asha Goenka. Our next speaker is Mrs Poonam Goenka.

Co-ordinator:

Mrs. Poonam Goenka is not available.

Chairman:

Ok. Our next speaker is Ms. Sumitra Goenka.

Co-ordinator:

Ms. Sumitra Goenka is available. But due to some technical issue we cannot connect with her.

Chairman:

Ok. Our next speaker is Ms. Suchita Goenka.

Co-ordinator:

Sir, we can go ahead as she is not responding.

Chairman:

Ok. Our next speaker is Ms. Ritu Goenka.

Co-ordinator:

Please unmute yourself and ask the questions. Please unmute yourself and ask your questions.

Chairman

Ok. We will move to our next speaker Mrs Lalitha Shroff.

Lalitha Shroff

Can you hear me?

Chairman:

Yes we can hear you. Please go ahead.

Lalitha Shroff

Good morning, Chairman and Board of Directors. I am housewife and holding shares of Company many years. I would like to thank management for announcing dividend. The amount of dividend announced by the Company has been stagnant for my years. The stock is not appreciated in comparison to any other listed companies therefore investor look for the increased dividend. Thank you

Chairman:

Thank you Mrs Shroff. Our next speaker is Mr. Anil Agarwal.

Co-ordinator:

Sir, he is not available.

Chairman:

Ok. Our next speaker is Mr. Sanjay Jhunjhunwal.

Sanjay Jhunjhunwala:

Hi team NG. Thank you for the opportunity and congratulation for the FY 2023 numbers. I have one quick questions and the question is whether we planned for any new services at our Centre and what will be their effect on the revenue and profitability. Wish you all the best.

Chairman:

Thank you Mr. Agarwal. Our next speaker is Mr. Aditya Kumar Rungta.

Co-ordinator:

Sir, Mr. Aditya Kumar Rungta is not joined.

Chairman:

Ok. Our next speaker is Mr. Mahendra Poddar.

Co-ordinator:

Sir, Mr. Poddar is not available.

Chairman:

Ok. We will recall to our speakers which were not connected. Mr. Rajib Nath.

Co-ordinator:

Sir, He has not joined.

Chairman:

Please check on Poonam Goenka.

Co-ordinator:

Sir, error with the system.

Chairman:

Please check on Suchita Goenka.

Co-ordinator:

Mam, please unmute yourself and ask the question.

Chairman:

Please check on Ritu Goenka.

Co-ordinator:

She is not available.

Chairman:

Please check on Mr Anil Agarwal.

Co-ordinator:

No sir, he is not available.

Chairman:

Please check on Mr Aditya Kumar Rungta.

Co-ordinator:

No sir, he is not available.

Chairman:

Please check on Mr Mahendra Kumar Poddar.

Co-ordinator:

No sir, he is not available.

Chairman:

So that concludes all the questions. I will now respond to the questions raised by different shareholders. First of all let me thank all the shareholders who have raised questions for us to respond to and have even offered us some observations. Most of the questions have a major topic of Dividend, Company's Business line and our outlook for the immediate future. I will therefore try and deliberate on each of these topics first and I do hope that will to a large measure satisfy a majority of questions raised today.

Many of the speakers have raised questions about Dividend prospects of the Company and I would like to collectively reply to all their questions here.

Our shareholders are well aware of the company's long uninterrupted dividend history. Your Company had declared uninterrupted dividends since FY 1997-98 to 2018-2019 that is over 20 years and it's only during two years of Covid, we had not been able to recommend any dividend for two financial years.

We are yet to fully recover to normal operations after the Covid disruption. Clearly the revenues have stagnated during the past few years. By conserving funds during the pandemic years, the Company remained cash positive and therefore did not require to resort to any short term borrowings and thus save a lot of costs.

This also enables us to have financial freedom to run the Company with our own resources, without any constraint, resulting in a quick recovery. I hope the shareholders will understand the stand taken by us better today and we can assure you of our same philosophy in coming years. Therefore, it is important to conserve resources and be prudent, for the wellbeing of the Company and all its stakeholders for the long-term perspective.

I am sure our shareholders will appreciate our stand in the matter and bear with us.

We would also like to remind you that all shareholders are eligible for a 15% discount on any diagnostic services availed at our establishments. We do appreciate the support that we have always got from our shareholders and we expect continued support from you.

There is a question raised by Mr. Pai regarding capital investment and this question is also raised by Ms. Lily Pradhan.

We are continuously upgrading our infrastructure & equipment. We have recently replaced our CT scan Machine, which has been installed and commissioned. With this, we will be able to perform many more types of Scans, resulting in extra revenue generation. We have also installed a new high end CR Digitizer system in our Radiology department. We have also purchased Endoscopy & Colonoscopy equipment. This department had been closed since Covid days. The same is being marketed and has been well received by referring Doctors. We have also carried out renovation and up gradation of our premises.

There is another question from Mr. Pai about how our pharmacy division of the company doing?

Like all other divisions, our Pharmacy division is also facing severe competition. Our major pharmacy revenue is derived from IPD Patients. There is intense competition from online pharmacies offering huge discounts. We are making efforts to meet the competition in the long run.

There is another question on future and private healthcare after covid.

We have elaborately covered in our Director's report, an overview of the healthcare marketplace and prospects and our concerns regarding growth. However, I would like to add further a few aspects in reply to question posed by Ms. Asha Goenka.

The diagnostics and Pharmacy markets are undergoing very rapid changes. There are multiple new all India players, with very deep pockets, who have entered the markets. These new entrants are very aggressive and are pursuing strategies to enhance market share in a very short period. They are sometimes supported by robust and efficient technology platforms. They are apparently burning cash to gain market share. Also post Covid, capacity consolidation is taking place at an all-India level with mergers and acquisition in Diagnostics, Hospitals and Online Pharmacy businesses. We expect this trend to continue.

Standalone units like us, have to carefully cater to niche markets. We are continuously monitoring the developments and taking appropriate decisions. We have also kept costs under control and remained profitable in spite of minimal growth. Diagnostics business is increasingly getting competitive with large pan-India players as well as online pharmacy companies and others, jumping into the fray and price competitiveness at cost of quality just for sake of market share is an area of concern. This has happened in other sectors as well.

Having said this, there is a place for small local, low cost establishments like ours, catering in local and niche areas with quality services backed by technology and suitable marketing strategy.

There is another question about new projects. At present the Company is not planning any new project.

There is another question from Mr. Jhunjhunwala about any new services that we are planning to start and their impact on revenue and profitability?

We are currently in the process of setting up a Dialysis unit at our Nursing home premises. We hope to commission the same during the current financial year. This addition will help us to improve capacity utilisation at our Nursing home and add value to services. This is also expected to contribute to our Diagnostics and Pharmacy businesses.

We are also renewing our accreditations with both NABL and NABH, every year. These accreditations are a formal recognition of our commitment to quality and accountability towards our patient care and safety. It ensures that the education, training and competence of our workforce matches internationally set standards.

The same boosts community confidence in our capabilities. We save time, effort and money due to efficiently set protocols and quality management. We continuously monitor our performance and services and match them with global standards.

We are however always exploring how to add new tests to our menu and adopting new technology, new accreditations, new corporates tie up etc.

There is a question from Mr Sarkar regarding CSR. Our company is not legally obliged to carry CSR activities. However we do cater poor and needy people in whatever way we can do.

There is another question on hard copy of Annual Report. Wherever we received a request for hard copy of Annual Report, we will arrange for sending hard copy of Annual Report. And there is a suggestion for sending link for attending the Meeting and reminder for attending the AGM in advance. The suggestion has been noted and we will do our best for this. I think I have covered all the questions and there is no questions left unanswered.

ACKNOWLEDGEMENT

I will hereby use this opportunity to acknowledge the contribution of some of the many persons who have contributed to the establishment and growth of our Company. We remember with fondness our late chairperson and director Shri Banwari Lal Goenka , whose vision and guidance continues to inspire us.

I also acknowledge the selfless contribution of our ex-Chairperson and Director Shri Ashok Kumar Goenka and our ex-director Shri Ashok Bhat. Both continue to mentor and guide us in this journey.

I would also like to express my deep appreciation for contribution of some of my colleagues including our independent Directors Mr Kumbhat & Mr Bajoria, our Chief Pathologist, Dr. Nadeem and our executive team comprising of Mr SHARMA, Ms Gomathi, Ms. Shampa Kundu, CFO, Mr Santosh, Company Secretary, Mr. Dipak Shaw, Varsha. My young colleague and Director Ms Neha Goenka. There are many more persons whom I might have missed.

I am an eternal optimist and would like to believe that better days are ahead of us.

CONCLUSION

Now I would like to authorize Mr. Dipak Kumar Shaw, company secretary to conduct the voting procedure and conclude the meeting. The e-voting facility will remain open for next 15 minutes; enable members to cast their vote. Results would be announced within 48 hours of the conclusion of the meeting and the same would be intimated to Stock Exchange and uploaded on the websites of the Company and the NSDL. I once again take the opportunity to thank all the shareholders for attending this meeting and for your continued support to the Company. I also thank the Directors/Chief Financial Officer/Statutory Auditor/Secretarial Auditor for joining this meeting through Video today. With your consent, I and all other board members would like to leave the meeting. I request all shareholders to stay safe and healthy.

Thank you.