

CORPORATE GOVERNANCE REPORT

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 Directorshi p	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	6		
Mr.Raj Kumar Bajoria	Non-Executive / Independent	2	1	
Mr.Rajesh Goenka	Executive / Non-Independent	3	1	2
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.Banawari 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	8	8	Yes
Mr.Ashok Bhat	8	8	Yes
Mr.Banwari Lal Goenka	8	7	No
Mr.Jagdish Chand Kumbhat	8	7	Yes
Mr.Raj Kumar Bajoria	8	7	Yes
Mr.Rajesh Goenka	8	8	Yes
Dr.Subash R. Kamath	8	7	Yes
Mr.Vinod Singhi	8	7	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 Governan

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No. of Board Meetings Held 2009-2010:

Total eight Meetings were held during the year 2009-2010. The dates on which the said Meetings were held are as follows:-

28th May, 2009	11th August, 2009	29th January, 2010
29th June, 2009	22nd September, 2009	12th February, 2010
31st July, 2009	30th October, 2009	-

Details of Directors being re-appointed (Brief Resume)

Name of Director	Shri Ashok Kumar Goenka	Shri Vinod Singhi
Date of Birth	03.11.1958	24.01.1955
Qualification	B.Sc, ACA	MBA, F.C.A.
Experience	29 years in Finance & Corporate Management	38 years in Finance & Corporate Management
List of other Companies in which Directorship held as on 31.03.2010	1.AKG Finvest Limited 2.Goenka Securities Pvt.Ltd.	1.Nikita Constructions & Mercantiles Pvt.Ltd. 2.Snow Tex Business Pvt.Ltd. 3.Viba Business Services Pvt.Ltd.
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director as on 31.03.2010	Chairman – 1 Member – 1	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.

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Audit Committee Meeting and attendance during the year

During 2009 - 2010 The Audit Committee Meetings were held on 29.06.2009, 31.07.2009, 30.10.2009 & 29.01.2010.

Name of Director	No. of Meetings attended
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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 2009-2010.

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 2009-2010, Two share transfer committee meetings were 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 2009-2010 The Shareholders/Investors grievances Committee Meetings were held on 28.05.2009, 30.10.2009, 29.01.2010 & 31.03.2010.

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, 2010.

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 2009-10 1 No. of Remuneration Committee Meeting was held on 12.02.2010.

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	4000	N.A	N.A	4000
Mr.Ashok Bhat	N.A	255360	188237	443597
Mr.Banwari Lal Goenka	3500	N.A	N.A	3500
Mr.Jagdish Chand Kumbhat	3500	N.A	N.A	3500
Mr.Raj Kumar Bajoria	3500	N.A	N.A	3500
Mr.Rajesh Goenka	N.A	255360	188237	443597
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 1st September 2008 to 31st August, 2013.

9. Board Meetings and Procedures

The Board of Directors met for eight 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
2006-2007	Community Hall, Jay Jayanti Building 2A,Mandeville Gardens, Kolkata-700 019	29.09.2007	11.00 A.M.
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.

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, 2010 was placed before the Board of Directors of the Company in its meeting held on May 29, 2010.

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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
Sambad and also
fax/speed post.

Quarterly Results were published in The Financial Express and Lottery informed to all the Stock Exchanges where the Shares are listed through

Half Yearly Results
Sambad and also
fax/speed post.

Half Yearly Results were published in The Financial Express and Lottery informed to all the Stock Exchanges where the Shares are listed through

- 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 : 25th September, 2010 at 11.00 A.M.
Venue : Community Hall, Jay Jayanti Building, 2A, Mandeville Gardens, Kolkata
- 700019.

- b) Date of Book Closure : Friday, 21st September, 2010 to Saturday, 25th September, 2010 (both days inclusive)

- c) Dividend payment Date : On or before 25th October, 2010. 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 2009-2010 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

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f) 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

g) Stock Market Data

The month wise High & Low quotations of the Shares Traded during April, 2009 to March, 2010 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, 2009	-	-	-	46.45	33.10	407
May, 2009	-	-	-	52.00	41.55	2797
June, 2009	-	-	-	57.90	42.00	5287
July, 2009	-	-	-	52.00	46.20	7828
August, 2009	-	-	-	58.85	50.10	9226
September, 2009	-	-	-	62.70	48.00	9180
October, 2009	-	-	-	57.30	48.30	3467 7
November, 2009	-	-	-	54.60	46.35	1231
December, 2009	-	-	-	56.00	47.10	5499
January , 2010	-	-	-	57.40	51.75	9542
February, 2010	-	-	-	55.95	49.45	5513
March, 2010	-	-	-	56.70	49.85	7322
Total			-			9850 9

h) a) Shareholding pattern as on 31st March, 2010

SL No.	Category	No of Shares (Issued Equity)	Percentage
1	Promoters	2362473	70.51
2	Indian Financial Institutions, Bank , Mutual	-	-
3	Funds	-	-
4	Foreign Institutions Investors/ NRIs	988027	29.49
	Others		
	Total	3350500	100.00

b) Distribution of Shareholding as on 31st March, 2010

Shareholding of nominal Value of Rs.	Shareholders Folios		No. of Shares	
	No. of Shareholders	% to Total	No. of Equity Shares	% to Total
Upto - 5000	696	78.91	102459	3.06
5010 -10000	64	7.26	53610	1.60
10010 - 20000	32	3.63	45837	1.37
20010 - 30000	22	2.49	55774	1.66
30010 - 40000	11	1.25	37120	1.11
40010 - 50000	9	1.02	42028	1.25
50010 - 100000	10	1.13	77379	2.31
100010 - 500000	24	2.72	664309	19.83
500010 -1000000	8	0.91	519584	15.51
1000010 and above	6	0.68	1752400	52.30
Total	882	100.00	3350500	100.00

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i) 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.

- j) 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

k) 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, 2010 , 683929 Shares representing 20.41% of the total Share capital are already under demat which has resulted in reducing the physical delivery related problems to a large extent.

l) Financial Calendar (Tentative and subject to change) for the year 2010-2011

Financial reporting for the first quarter ending, 30th June, 2010	July, 2010
Financial reporting for the second quarter ending, 30th September, 2010	October, 2010
Financial reporting for the third quarter ending, 31st December, 2010	January, 2011
Financial reporting for the year ending 31st March, 2011	May, 2011
Annual General Meeting for the year ending 31st March, 2011	September, 2011

m) Investors correspondence may be addressed to

M/s.S.K.Computers
34/1A, Sudhir Chatterjee Street, Kolkata – 700006, Tel: 22196797

Or

Director, N.G.Industries Ltd.
3rd Floor, 17, Chittaranjan Avenue, Kolkata – 700072, Tel: 22128345

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

n)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 2009-2010.

Kolkata
Rajesh Goenka
29th day of May, 2010
Whole-time-Director

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, 2010 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, 2010, 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 : 29th day of May, 2010
M. R. SINGHWI

Partner Membership No. 300-50650

