

# 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.Rajkumar 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 Kumar 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	6	6	Yes
Mr.Ashok Bhat	6	6	Yes
Mr.Banwari Lal Goenka	6	6	No
Mr.Jagdish Chand Kumbhat	6	6	Yes
Mr.Rajkumar Bajoria	6	6	Yes
Mr.Rajesh Goenka	6	6	Yes
Dr.Subash R. Kamath	6	6	Yes
Mr.Vinod Kumar Singhi	6	6	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.

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### No. of Board Meetings Held 2011-2012:

Total six Meetings were held during the year 2011-2012. The dates on which the said Meetings were held are as follows:-

08th April, 2011	10th October, 2011	-
30th May, 2011	14th November, 2011	-
29th July, 2011	31st January, 2012	-

### Details of Directors being re-appointed (Brief Resume)

Name of Director	Shri Rajkumar Bajoria	Dr. Subash R. Kamath
Date of Birth	02.02.1952	21.07.1959
Qualification	B.Com.	MBBS,FRCS,MCh (Orth)
Experience	39 years in Finance & Corporate Management	Over 26 years as an Orthopaedic Surgeon at various Hospitals in UK till 1995 and thereafter in Kolkata
List of other Companies in which Directorship held as on 31.03.2012	1.Saurav Infotech Pvt.Ltd. 2.Nilachal Refractories Ltd.	None
Chairman/Member of the Committees of the Board of Directors of other Companies in which he is a Director as on 31.03.2012	Member- Audit Committee –Nilachal Refractories Ltd.	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.Rajkumar 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. Rajkumar 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 2011 - 2012 The Audit Committee Meetings were held on 30.05.2011, 29.07.2011, 14.11.2011 & 31.01.2012.

Name of Director	No. of Meetings attended
Mr.Jagdish Chand Kumbhat	4
Mr.Rajkumar 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 2011-2012.

### **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 Kumar Singhi, non-executive & independent Director. Mr.Ashok Bhat is the Chairman of the Committee. During financial year 2011-2012, 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.Rajkumar Bajoria, non-executive & independent Director and Mr.Vinod Kumar Singhi, non-executive & independent Director. Mr.Vinod Kumar Singhi is the Chairman of the Committee.

### **Shareholders/Investors grievances Committee Meeting and attendance during the year**

During 2011-2012 The Shareholders/Investors grievances Committee Meetings were held on 30.05.2011, 29.07.2011, 14.11.2011 & 31.01.2012.

Name of Director	No. of Meetings attended
Mr.Ashok Bhat	4
Mr.Rajkumar Bajoria	4
Dr.Vinod Kumar Singhi	4

A total of 5 complaints were received during the year under review, out of which none were pending as on 31st March, 2012.

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## 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.Rajkumar Bajoria, Chairman, Mr.Vinod Kumar Singhi and Mr.Jagdish Chand Kumbhat. All of them are independent and non-executive Directors. During the Financial Year 2011-12, one of Remuneration Committee Meeting was held on 31.01.2012.

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	3000	N.A	N.A	3000
Mr.Ashok Bhat	N.A	282240	230464	512704
Mr.Banwari Lal Goenka	3000	N.A	N.A	3000
Mr.Jagdish Chand Kumbhat	3000	N.A	N.A	3000
Mr.Rajkumar Bajoria	3000	N.A	N.A	3000
Mr.Rajesh Goenka	N.A	282240	230464	512704
Dr.Subash R. Kamath	3000	N.A	N.A	3000
Mr.Vinod Kumar Singhi	3000	N.A	N.A	3000

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 six 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
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.
2010-2011	Community Hall, Jay Jayanti Building 2A,Mandeville Gardens, Kolkata-700 019	24.09.2011	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, 2012 was placed before the Board of Directors of the Company in its meeting held on May 30, 2012.

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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                      Quarterly Results were published in The Financial Express and Lottery Sambad and also informed to all the Stock Exchanges where the Shares are listed through fax/speed post as well as put up on company's website.

Half Yearly Results                      Half Yearly Results were published in The Financial Express and Lottery Sambad and also informed to all the Stock Exchanges where the Shares are listed through fax/speed post as well as put up on company's website.

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**                              : 29th September, 2012 at 11.00 A.M.  
**Venue**    : Community Hall, Jay Jayanti Building, 2A, Mandeville Gardens, Kolkata 700019.

**b) Date of Book Closure**                      : Tuesday, 25th September, 2012 to Saturday, 29th September, 2012 (both days inclusive)

**c) Dividend Payment Date**                      : On or before 29th October, 2012. 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 2011-2012 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.

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## g) Registrar and Share Transfer Agent

: S.K.Infosolutions Pvt.Ltd.  
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, 2011 to March, 2012 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, 2011	-	-	-	70.80	59.05	9546
May, 2011	-	-	-	70.00	60.05	6752
June, 2011	-	-	-	68.30	63.00	2885
July, 2011	-	-	-	75.60	63.55	4833
August, 2011	-	-	-	72.60	61.15	4587
September, 2011	-	-	-	73.75	59.50	8434
October, 2011	-	-	-	67.20	60.00	1168
November, 2011	-	-	-	68.00	60.00	1387
December, 2011	-	-	-	68.45	60.00	1775
January , 2012	-	-	-	69.00	63.00	226
February, 2012	-	-	-	74.25	63.50	8020
March, 2012	-	-	-	77.00	67.80	8620
Total			-			58233

## i) a) Shareholding pattern as on 31st March, 2012

SL No.	Category	No of Shares (Issued Equity)	Percentage
1	Promoters	2362473	70.51
2	Indian Financial Institutions, Bank , Mutual Funds	-	-
3	Foreign Institutions Investors/ NRIs	1022	0.03
4	Others	987005	29.46
	Total	3350500	100.00

## b) Distribution of Shareholding as on 31st March, 2012

Shareholding of nominal Value of Rs.	Shareholders Folios		No. of Shares	
	No. of Shareholders	% to Total	No. of Equity Shares	% to Total
Upto - 5000	692	80.47	96168	2.87
5010 - 10000	72	8.37	58717	1.75
10010 - 20000	27	3.14	38750	1.16
20010 - 30000	19	2.21	48064	1.43
30010 - 40000	8	0.93	27076	0.81
40010 - 50000	5	0.58	25000	0.75
50010 - 100000	11	1.28	85736	2.56
100010 - 500000	15	1.74	346370	10.34
500010 - 1000000	5	0.58	530219	15.82
1000010 and above	6	0.70	2094400	62.51
Total	860	100.00	3350500	100.00

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**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

### **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, 2012, 3083833 Shares representing 92.04% 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 2012-2013**

Financial reporting for the first quarter ending, 30th June, 2012	July, 2012
Financial reporting for the second quarter ending, 30th September, 2012	October, 2012
Financial reporting for the third quarter ending, 31st December, 2012	January, 2013
Financial reporting for the year ending 31st March, 2013	May, 2013
Annual General Meeting for the year ending 31st March, 2013	September, 2013

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

S.K.Infosolutions Pvt.Ltd.  
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 2011-2012.

Kolkata  
30th day of May, 2012

Rajesh Goenka  
Whole-time-Director