

Transcript
26th Annual General Meeting of N G Industries Limited
26th September, 2020 through VC/OAVM at 10.30 a.m. IST to 11.32 a.m. IST

PARTICIPANTS:

Mr. Rajesh Goenka
Chairman

Mr. Raj Kumar Bajoria
Independent Director

Mr. Jagdish Chand Kumbhat
Independent Director

Ms. Neha Goenka
Non-Executive Non-Independent Director

Mr. Santosh Kumar Thakur
Chief Financial Officer

Mr. Dipak Kumar Shaw
Company Secretary & Compliance Officer

Mr. P.K. Jain
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. This is Dipak Kumar Shaw, Company Secretary of the Company. I am very pleased to welcome you to the 26th AGM of N G Industries Limited, held through Video Conference/Other Audio-Visual means.

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, it is being made available for 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 minutes.

During the AGM, if any members is 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 26th 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 will like to introduce all of them one by one. 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 I am attending this AGM through video conferencing from my residence in Kolkata. Thank you very much.

Mr. Rajesh Goenka

Thank You Mr. Kumbhat. Our next director is Mr. Raj Kumar Bajoria.

Mr. Raj Kumar Bajoria

Good morning shareholders. I am Raj Kumar Bajoria, an Independent Director of the Company and am attending this AGM through Video Conferencing from my home in Kolkata. Thank you.

Mr. Rajesh Goenka

Thank You Mr Bajoria. Our next director is Ms. Neha Goenka.

Ms. 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 Conferencing from my office in Kolkata.

Mr. Rajesh Goenka

Thank You Neha. Mr. Santosh Kumar Thakur, our Chief Financial Officer of the Company has joined this meeting through Video Conferencing from registered Office of the Company in Kolkata. Mr. P. K. Jain, the 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. Due to COVID-19 concerns, lockdown and social distancing norms, we are for the first time holding this AGM through Video Conferencing. This is in compliance with the directions of the Ministry of Corporate Affairs. A live streaming of this meeting is also webcast on the NSDL's website. The Company has taken the requisite steps, enabled 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 proxy is not applicable. The register, as required under the Companies Act, 2013 is open for inspection by the members electronically. Members, who have not voted earlier through remote e-voting, can cast their vote in 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.

Now I would like to share a few words about the performance of the Company. Throughout the Financial Year 2019-20, the Company 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 revenues, 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 %.

The Company had 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 submitted with Stock Exchange and 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 we 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.

Let us now proceed with the business before this meeting. The notice dated 29th June, 2020 convening this Annual General Meeting along with Reports and Accounts for the financial year ended 31st March, 2020 have been sent in conformity with the applicable regulatory requirements through electronic mode to those shareholders 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. All the 3 (three) agenda items are ordinary business.

The first item on agenda relates to adoption of financial statement of the Company for the Year ended 31.03.2020, the report of the Board of Directors and Auditor thereon.

The second item relates to the re-appointment of Rajesh Goenka, who retires by rotation and is eligible for re-appointment.

The third item relates to appointment of Messrs. Pushpendra Jain & Co. as Statutory Auditor of the Company.

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

Mr. Dipak Kumar Shaw

Thank you, sir

The Companies Act, 2013 and SEBI listing regulations provides 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. Member may please go to 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, Practicing 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.

Mr Rajesh Goenka

Thank You Dipak.

Now I would like to invite the shareholder members who have registered to speak. Our first speaker is Dr. Ramray Bhat. Over to you Mr. Bhat

Moderator

Sir, he has not joined. You may go to the next speaker.

Mr. Rajesh Goenka

we will come back to Mr Bhat when he will join. Our next speaker is Mr N Gokul Kamath.

Mr N Gokul Kamath

Yes, can you hear me? So good morning. I have been a shareholder of the Company for over 20 years now and do remember seeing the dividend rate going up year after year till it stabilized at 35 % for the past few years. I do not remember N G ever skipping the dividend in the past and so I would like to know as to why did you choose not to approve any dividend for the year 2019- 20?

Mr Rajesh Goenka

Thank you Mr Kamath. We will take all the questions first then we will reply. Our next speaker is Mr Partha Sarathi Banerjee.

Moderator

Mr Banerjee, you are unmuted. You can speak now.

Mr Partha Sarathi Banerjee

Good morning Mr. Chairman. This has a been difficult time for all of us including my company. So, what I wanted to ask is, do you have any concrete plan for revival of the Company in the coming days when things get better and hopefully with your plan N G will once again be as vibrant as ever. Thank You.

Mr Rajesh Goenka

Thank you Mr Banerjee. We will move to our next speaker Mr. Kiron Bhat. Over to you Mr. Bhat.

Mr Kiron Bhat

Good morning everybody. I think my video is not working. My question to you today is whether the company, has the Company plans for any new projects? Any plans to raise funds through IPO or right issue? How will shareholders get rewarded in the near future for having remained invested in the Company for long? Thank you very much. I would look forward to your answer.

Mr Rajesh Goenka

Thank you Mr Bhat. We will move on to our next speaker. Our next speaker is Ms. Sunitha Bhat.

Moderator

She has not joined sir. Please move to next speaker.

Mr Rajesh Goenka

Ok. We will move to our next speaker. Our next speaker is Ms. Lalitha Shroff.

Over to you Ms. Shroff.

Moderator

She has not joined.

Mr Rajesh Goenka

we will recheck when she will join. Our next speaker is Mr Anil Agarwal. Over to you Mr Agarwal.

Mr Anil Agarwal

Good morning. I am a long-standing shareholder of the Company. I am a resident of Mumbai. This is the first time I am attending the AGM of the Company. My relatives in Kolkata regularly avail your services and are very happy. They find it to be a customer friendly place at a prime location. I have received Dividends from the Company for more than 20 years. I am disappointed that the Company has chosen to skip the Dividend this year, although it is perfectly understandable. I would have been happy if at least a token Dividend was given. However, my best wishes to the Company and I hope it prospers in the future also.

Mr Rajesh Goenka

Thank You for your kind words Mr. Agarwal. We will move over to our next speaker Mr Kapil Chopra.

Moderator

he has not joined sir,

Mr Rajesh Goenka

We will move to our next speaker. Our next speaker is Mr Vijay Kumar Pai.

Mr Vijay Kumar Pai

Good morning sir. Has the Company obtained accreditations from NABL & NABH? If yes, how does it help the business of the Company.

Mr Rajesh Goenka

Thank You Mr Pai. Our next speaker is Ms. Manju Poddar. Over to you Ms. Poddar.

Ms. Manju Poddar

Good morning all. As the company is into medical field, I just wanted to know, what is the Company doing during this pandemic? Are we doing any Covid tests and what is the company doing to tackle the situation? If we are doing the test, how are we taking the patients, coming to the nursing home? What is the positive percentage? How are the patients recovering? What is your advice for prevention?

Mr Rajesh Goenka

Thank you, Ms. Poddar. We will move to our next speaker Mr. Mahendra Kumar Poddar.

Mr Mahendra Kumar Poddar

Good morning to all. I have a question for you. Has the company exploring putting up an MRI & PETSCAN facility in the near future?

Mr Rajesh Goenka

Thank you Mr Poddar. Now we will recheck with the speakers who were not available. We will again go with the list. Mr Ramray Bhat. Can we connect with Dr Ramray Bhat?

Moderator

He had joined. I will unmute him.

Ram Ray Bhat

Hello. Thank you, so much and good morning, to all. I have one question to ask, Since Covid has been disrupting all our lives and one common question one asks in every forum today is, how do you find this pandemic effecting the Company's operations today in last week of September especially when we have almost come to the half way point in the current year.

Also how do you look at the way ahead. I will really appreciate if you answer. Thank you.

Mr Rajesh Goenka

Thank You Mr Bhat. Mrs. Sunitha Bhat

Moderator

Not joined sir.

Mr Rajesh Goenka

Mrs. Lalitha Shroff.

Moderator

Not joined.

Mr Rajesh Goenka

Mr Kapil Chopra.

Moderator

Not joined.

Mr Rajesh Goenka

We have gone through all the list. Now I will respond to the questions raised by different investors. First of all, let me thank all the shareholders who offered their comments, observations along with answers. Dr. Ramray Bhat has asked a question on Covid disrupting lives and how do we tackle things ahead.

As such, most of the hospitals have shortages of staff and Doctors. As things stand today in late September, although there has been an improvement in level of operations and services vis-a-vis April, May, June this year, we are still operating at levels near about 50 to 60% or so as compared to pre Covid revenue levels.

Fact of the matter is that our city is served and used by people residing in suburbs and workers from neighboring poor states. In absence of local trains and regular upcountry trains, many employees and patients are just not there, they are absent. There is too much of fear around. Fear is prevalent.

Employees / Patients / Doctors, everyone is afraid to come out of their houses, particularly to visit hospitals. Medical establishments are unfortunately perceived to be infection prone areas by many. A section of employees / masses who have suffered infection are quarantined for 14 days or even more, they cannot come out, they cannot attend to work. Even people suspected with infection symptoms are also advised to stay away from the work and they face social problems.

Even today as we speak, new lockdowns are being announced in various parts of the world, and there is so-called, the second phase of the pandemic emerging.

As the Lockdown easing stage has started, we are heading towards reopening of the economy in the real sense and citizens are thus expected to return slowly to overcome fear, difficulties and getting back to normal ways of life and livelihood. I guess lower infection transmission in future months, better news on the vaccine and medical research underway, will help us in this progress in terms of time and intensity.

The entire scientific community of the world is working overtime to find a vaccine and till the time the uncertainty lasts, we do not expect to see normal revenues, as was seen before the beginning of the pandemic.

Next question which Mr. Kamath has asked regarding skipping Dividend

Corona Virus, pandemic led to unprecedented and unimaginable lock down and disruption in our daily social and economic activities. The lockdown resulted in total stoppage of almost all commercial and social activities and for two months or so it continued to be disrupted. It has been very very unnerving for each one of us. The essential commercial activities exempted from lock down were also badly affected for multiple reasons like I explained earlier - fear, lack of awareness, non-availability of public transport, disruption of supply chains, multiple and ambiguous rules with respect to lock down, non-availability of man power and so on and so forth.

Although being a medical services provider, our activity was exempted from lock down, but our diagnostics division had to remain shut for almost 2 months due to non-availability of staff, Doctors, supplies etc. and absence of demand.

Even our Nursing Home division struggled to operate even at bare minimum capacity. We operated in very difficult conditions where doctors were reluctant to attend to patients, no public transport was available for employees & Patients or doctors to commute, fear was at its peak. We had to hire multiple vehicles at exorbitant cost to pick up employees and doctors from different parts of the city to keep the operations on. We also made arrangement for some of the employees to stay at the nursing home and providing food and whatever it takes to continue operations.

The Pharmacy division also suffered due to same reasons.

Looking at these perspectives of how to tide over, I have not availed the whole-time director's salary from April 2020 onwards and would also like to inform that other directors are not availing emoluments except nominal sitting fees. We have exercised cost control measures in all possible ways. Your Company has declared uninterrupted dividends since FY 1997-98 that is almost 21 years. However, under the current uncertain

circumstances the board found it prudent to conserve resources and skip any form of cash out flow in form of Dividends. However, I on behalf of the Board of Directors would like to assure shareholders that once normalcy is restored, the shareholders will be rewarded in form of Dividends.

By conserving funds, the Company will remain cash positive and will therefore not be required to resort to any short term borrowing and thus save a lot of costs. This will also enable us to have financial freedom to run the Company with our own resources, without any constrain, for a quick recovery. I hope the shareholders will understand.

Regarding Mr Banerji's safeguarding the company's future and the timeline of returning to pre Covid level operations - my earlier replies to other speakers have addressed these issues. I would not like to be repetitive. And I will also request all of you to read up in our website, our disclosure on Covid impact on June 4th, which has been uploaded, which is fairly detailed. This will give you a fairly good idea of the situation.

The Company is predominantly dependent on patient visits, as well as Doctors for resuming their normal course of Clinics. The Company expects that visit of patients, as it was before the Pandemic, will take some time to normalize. The Company expects that the current situation will significantly affect our operations adversely in the financial year 2020-2021 and that will consequently, adversely affect the profits of the Company. The Company is not in a position to gauge with certainty, the future impact on operations, beyond the immediate month ahead as I said earlier. We can only disclose honestly that we know very little about how this pandemic will pan out in the coming months and how it will affect our lives as well as your Company's operations in particular. We have to explain however, that we were and are a NON COVID healthcare provider company and in this active COVID 19 pandemic period, have been as badly affected as any other consumer service provider from any sector in the country and our outlook for the future is going to be affected by similar larger issues of people getting back to normal ways of life and livelihood. When they do and to the extent they do, we being in healthcare service provider will surely do, what we have done well for 25 years and we have done it well and earned the citizen trust and

so we too will get back to our same levels of operations and this too helps us.

Explanations to Mr. Kiron Bhat on growth plans and projects we have taken up, rights issue:

In today's difficult environment, conserving resources is considered prudent. At the moment the company has not planned any new projects because of lack of clarity in how the pandemic is going to pan out. We are trying to consolidate existing operations. Therefore, currently there are no new projects under consideration.

We are however always exploring, how to add new tests to our menu and adopting new technology, how to get accreditations, fresh and new corporates tie up, how to get institutional business etc. and that effort is always on and will continue to do so.

Since we do not have any growth plans, we do not foresee requirement of any additional funds in the near future and nothing has been planned in terms of any fresh issue of equity shares in form of rights or public issue. As already said earlier your company has been giving uninterrupted dividend since financial year 1997-98 till 2018-19. As and when the situation becomes normal, we will definitely consider rewarding shareholders in terms of dividends. I would also like to remind that all shareholders, that each shareholder is eligible for 15% discount on diagnostics services availed. We do appreciate the support of shareholders and their continued support.

Next question to be answered is for Mr. Agarwal

It was very kind of Mr. Agarwal to question. Other point which I would like to add from my side that popular public perception is that hospitals, diagnostic and pharmacy industry are doing very well during this pandemic time. This is far from the truth. Most of the hospitals which are not taking Covid patients are running at very low level of operation revenues and patients' visits are less for multiple reasons. For example, the demand for most of the elective and preventive kind of health care services are negligible at present. Even things like health check-ups are just not there. The industry is facing both demand and supply side issues. With the shortage of available doctors as well as trained employees are amiss.

Explanation for Mr Vijay Kumar Pai regarding NABL and NABH Accreditation:

We are accredited with both NABL and NABH. 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 and sets standards. 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. Post accreditation, we also get better rates for services provided to Central government health services and other such institutional organizations. Also, NABL and NABH accreditations are mandatory for continuation of empanelment with many Insurance companies and TPA's. Going forward, more and more entities are going to insist on these accreditations as a pre-condition for availing medical services. Due to stringent protocols and tough standards, many Medical services provider find it difficult to get accreditation from NABL and NABH.

Explanation for Ms. Manju Poddar regarding COVID test and COVID patient treatment in N G Nursing Home:

The Company is not doing CORONA RTPCR Test. RTPCR test requires a very specialized set up. We feel that once the Pandemic is under control, the utility of such set up will suffer with gross over capacity and underutilization.

Further, West Bengal Government has not permitted private Laboratories to carry out Rapid test for Corona Virus. As and when such permission is granted, we will consider starting the same.

Regarding our indoor services, essentially our Nursing Home is not equipped to handle patients suffering from infectious diseases, as that requires a specialized setup with patient isolation facility. Bigger hospitals having multiple building, lifts or stairs, can create isolation facilities in individual buildings or floors. In smaller setup like ours, it is not possible to isolate patients suffering from infectious diseases. All Covid handling personnel are vulnerable to

infection. Furthermore, all our set up are located in densely populated residential area, where local residents could be apprehensive of a Covid Nursing home in the vicinity. In addition, many visiting consultants, who are middle aged or senior citizens, avoid handling suspect patients. As such we are left with two options. Either we run the facility in existing format or convert the same to a fully Covid Nursing home. Converting to Covid Hospital would have resulted in the loss of regular patients and Consulting Doctors. This would have resulted in long-term damage to our business model. As such we have continued to remain a non Covid Hospital.

Central Government, State Government and WHO have issued advisories for precautions to be taken for avoiding infection from Corona Virus. I don't think I can add anything further to add to that, this is good enough to follow and I would urge everyone to follow the advisories, in the best interest of themselves, their family, their loved ones, the community. It is very import that the advisories be followed.

Explanation on putting up MRI & PETSCAN facility:

We have done feasibility studies for installing both MRI & PET scan. Our conclusion was that we did not find it commercially viable. There is enough capacity in the City of Kolkata and many of the machines are underutilized. Furthermore, capacity and tariffs suffer and may not be regularly used. As such we had decided against the idea of installing MRI & PET scan.

I have come to the end of answering questions raised by members. I have tried to address all the issues, but there might be a particular issue which I might not have addressed, basically to a particular question, I have addressed in different replies and I would also request all members to spare some time and go through periodically uploaded filings as prescribed by SEBI and stock exchanges which covers various aspects of queries which have been raised. I also regret not being able to share at this point few queries figuratively for the fact that we are not having in hand more than one quarter of additional data, figures that too in a volatile unprecedented in the history. Your operations of health care services are constituted by a mix of various services including but not limited to clinics OPD services, diagnostic, inpatient, day care services, infertility services, preventive health care services, retail, pharmacy and thus we cannot quantify the

capacity and thus we do not know what to expect in the near future. Our organization has not seen such an event in the past. The government is at a loss and not able to provide figures and they do not know what is going to be the GST, and what is going to be the income tax collection. Everybody is in the dark that means. We have uploaded all our compliances, filings in stock exchange portal as well as on our website and feel that our investor communication is handled well and commensurate with the size of the company and whatever feedback we have received in the past 25 years. I think I have covered all the questions. Also, as a matter of policy we do not give any forward guidance with respect to financial performance. We might have been more forth coming in addressing queries in more detail if only it was in better and normal times.

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 10 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 sites 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 company secretary, our auditors, our chief financial officer 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 and see you next year.