

N. G. INDUSTRIES LIMITED

| | | |
|--|---|---|
| BOARD OF DIRECTORS | : | Mr. Ashok Kumar Goenka, Chairman Mr. Banwari Lal Goenka Mr. Ashok Bhat, Whole-Time Director Mr. Vinod Singhi Dr. Subash R. Kamath Mr. Raj Kumar Bajoria Mr. Jagdish Chand Kumbhat Mr. Rajesh Goenka, Whole-Time Director |
| AUDITORS | : | M/s. M.R. Singhwi & Company |
| BANKERS | : | Allahabad Bank HDFC Bank Ltd. Standard Chartered Bank |
| REGISTERED OFFICE | : | 17, Chittaranjan Avenue 3rd Floor Kolkata - 700072 |
| 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 |
| REGISTRARS & SHARE TRANSFERAGENTS | : | M/s. S.K. Computers 34/1A Sudhir Chatterjee Street Kolkata - 700006 |
| LISTING OF SHARES | : | 1. The Calcutta Stock Exchange Association Ltd. 7, Lyons Range, Kolkata -700001 2. Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 |

N.G. INDUSTRIES LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the 17th Annual General Meeting of the Members of N. G. INDUSTRIES LTD. will be held at the Community Hall, Jay Jayanti Building, 2A, Mandeville Gardens, Kolkata - 700019 on Saturday, 24th September, 2011 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors' Report thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Shri Banwari Lal Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Jagdish Chand Kumbhat who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Registered Office:
3rd Floor,
17, Chittaranjan Avenue,
Kolkata- 700 072
Dated 30th day of May, 2011

By Order of the Board

ASHOK KUMAR GOENKA
CHAIRMAN

N.G. INDUSTRIES LIMITED

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more Proxy to attend and vote instead of himself on a poll only and such Proxies need not be a Member of the Company. The Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the Meeting. Proxy Form is attached herewith.
2. Members are requested to bring the copy of the Annual Report to the Annual General Meeting. No extra copies of the Annual Report will be supplied at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2011 to 24th September, 2011 (Both days inclusive).
4. The payment of dividend, if declared at the Annual General Meeting, will be paid to those shareholders whose names shall appear on the Company's Register of Members on 24th September, 2011. In respect of shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
5. Appointment/ Re-appointment of Directors:

| | | |
|--|--------------------------------|--|
| Name of Director | Shri Banwari Lal Goenka | Shri Jagdish Chand Kumbhat |
| Date of Birth | 09.01.1935 | 21.08.1952 |
| Qualification | Matriculate | F.C.A. |
| Experience | 49 years in Business & Trading | 34 years in Finance & Corporate Management |
| List of other Companies in which Directorship held as on 31.03.2011 | None | 1. Sombaria Co. Ltd. 2. Indo-Carbon Industries Ltd. 3. Classic Trade Holdings Ltd. 4. Speedways International Pvt.Ltd |
| Chairman/Member of the Committees of the Board of Directors of other Companies in Which he is a Directors as on 31.03.2011 | None | None |

6. As per the provision of the companies Act 1956, facilities for making nomination is now available to the Share-holders. Nomination forms can be obtained from the Company. If shares are held in electronic form, such nomination is mandated to their respective Depository Participant.
7. Members are requested to furnish their Bank Account details, change of address etc. to the Company Registrars and Transfer Agents in respect of Shares held in physical form and to their respective Depository Participants if the Shares are held in electronic form.

N.G. INDUSTRIES LIMITED

8. In order to avoid the risk of loss/interception of dividend warrants in postal transit and/ or fraudulent encashment of dividend warrants, Shareholders are requested to avail of NECS facility whereby the dividend will be directly credited electronically to their respective Bank accounts. This will ensure speedier credit of dividend.

The Company will utilize the facility of NECS for Payment of Dividend in future directly to bank account of shareholder who hold Equity shares of the Company in dematerialised form. It is, therefore, necessary that the correct bank details and your CBS account Number are recorded by your DP. In case you want to change or correct update your new CBS Account Number, kindly instruct your DP accordingly at the earliest. If the existing bank details, registered with your DP are correct and there is no change in your bank details, you may ignore this advice.

We wish to clarify that as all the relevant records are kept by your DP any change in your bank details, would need to be intimated to your DP only and not to the Company/Registrar & share Transfer Agents. If for any reason, we are unable to credit the dividend amount directly to your bank account, the same would be remitted to you by way of dividend warrant.

9. Pursuant to the provisions of section 205A of the Companies Act, 1956, as amended Dividend for the Financial Year 2003 - 2004 and thereafter which remain unpaid or unclaimed for a period of 7 (Seven) years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 205C of the Companies Act, 1956.

It may kindly be noted that once the unpaid or unclaimed Dividend is transferred to the abovesaid Fund of the Central Government as above, no claim shall lie in respect thereof.

Details of the unclaimed dividend which will be transferred to the Investor Education and Protection Fund are as follows:

| For the year ended | Date of declaration of Dividend | Due for transfer on |
|--------------------|---------------------------------|---------------------|
| 31.03.2004 | 25.09.2004 | 31.10.2011 |
| 31.03.2005 | 24.09.2005 | 30.10.2012 |
| 31.03.2006 | 23.09.2006 | 29.10.2013 |
| 31.03.2007 | 29.09.2007 | 04.11.2014 |
| 31.03.2008 | 27.09.2008 | 02.11.2015 |
| 31.03.2009 | 19.09.2009 | 24.10.2016 |
| 31.03.2010 | 25.09.2010 | 31.10.2017 |

Shareholders who have not so far encashed the Dividend Warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company before due date of transfer to IEPF. Also note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 (Seven) years from the date that they first became due for payment and no payment shall be made in respect of any such claim.

Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividend for the financial year ended 31st March, 1998 to 31st March, 2003 have been transferred to the Investor Education and Protection Fund.

10. As per Section 53 of the Company Act, 1956, which provides for service of documents under 'Certificate of Posting' as one of the accepted mode of service, whereas the Department of Posts has recently discontinued the postal facility under 'Certificate of Posting' vide their letter dated February 23, 2011. The Information Technology Act, 2000 also permits service of documents etc. in electronic mode. Keeping this in view the Ministry of Corporate Affairs vide their circular no.17/2011 dated April 21, 2011 clarified that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronics mode provided the Company has obtained email addresses of its members for sending the notice/ documents through email by giving an advance opportunity to every shareholders to register their email address and changes therein from time to time with the Company.

In view of the above, the Company requests all its shareholders to kindly provide their email addresses along with client ID/ Folio no. and number of shares as reference to the following email addresses with Subjects as N.G.Industries Ltd. - Member Email ID' at ngmail@vsnl.com.

N.G. INDUSTRIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS:

Your Directors have pleasure in submitting the 17th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS:

The financial results of the Company are summarised below:

| Particulars | Year ended 31.03.2011 (Rs. in lacs) | Year ended 31.03.2010 (Rs. in lacs) |
|--|--|--|
| Income from Operations | 1117.28 | 1011.29 |
| Other Income | 67.03 | 98.96 |
| Total Income | 1184.31 | 1110.25 |
| Total Expenditure | 853.15 | 767.09 |
| Interest | 1.92 | 3.90 |
| Depreciation | 75.15 | 67.78 |
| Profit before Taxation | 254.09 | 271.48 |
| Provision for Taxation | | |
| Current Tax | 69.10 | 61.87 |
| Deferred Tax | (3.66) | (2.24) |
| Income Tax Adjustment for the earlier year | 2.79 | - |
| Net Profit | 185.86 | 211.85 |
| Proposed Dividend | 117.27 | 100.51 |
| Tax on Dividend | 19.02 | 17.08 |
| Transfer to General Reserve | 20.00 | 22.00 |
| Earnings per Share (Rs.) | 5.55 | 6.32 |

OPERATIONS AND PROSPECTS:

During the year your Company's Division 'N. G. Nursing Home' achieved wider growth in it's operations and received wider patronage from both Doctors and Citizens in utilizing its services. The Division is poised to further consolidate its position and achieve higher capacity utilization in the coming year.

Our First Division- 'N. G. Medicare & Calcutta Hope Infertility Clinic' continues to enjoy wide patronage in South Kolkata despite stiff competition from several similar setups which have come up in the city in recent years. Our efforts have been to hold on to our market share in this competitive phase of the evolution of the segment through cost effective and quality services.

N.G. INDUSTRIES LIMITED

N. G. Pharmacy – Our retail Pharmacy division continues to operate at two outlets and has grown in its operations.

Company's efforts to provide Total Healthcare Services from Clinics, Diagnostics, Indoor or Outpatient Services to Retail Pharmacy Dispensing in a cost effective and efficient manner will enable it to stay ahead of competitive threats and continue to perform well.

DIVIDEND:

Your Directors recommend a Dividend of Rs. 3.50 per Equity Share (Previous Year Rs.3.00) for your consideration for the year ended 31st March, 2011. The Dividend will be paid after it is approved at the forthcoming Annual General Meeting.

DIRECTORS:

Shri Banwari Lal Goenka and Shri Jagdish Chand Kumbhat, Directors of the Company, retire by rotation and being eligible offer themselves for re-appointment.

LISTING WITH STOCK EXCHANGES :

As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the Company hereby declares that the Listing of its Shares at The Calcutta Stock Exchange Association Ltd. as well as Bombay Stock Exchange Limited continued throughout the year and the Listing Fee due till date stands paid.

DEMATERIALISATION OF SHARES :

In order to facilitate dealing in shares in the electronic mode, your Company has entered into an arrangement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). With this, the members have the option to trade their dematerialised shares in the Company through NSDL or CDSL. Securities and Exchange Board of India (SEBI) has made it mandatory for all investors to trade in the shares of the Company in dematerialised form. The Company's Shares have been allotted **ISIN:INE825C01018**.

AUDITORS :

M/s.M. R. Singhwi & Co., Chartered Accountants, Kolkata, Auditors of the Company, retire and being eligible offer themselves for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information pursuant to Section 217 (1)(e) of the Companies Act 1956 read with Companies (Disclosures of particulars in the Report of Board of Directors) Rules 1988 are given in the Annexure forming part of this report.

N.G. INDUSTRIES LIMITED

PARTICULARS OF EMPLOYEES :

None of the employees of your Company is covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended from time to time.

DIRECTORS' RESPONSIBILITY STATEMENT :

In compliance to the Provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE :

The Corporate Governance form an integral part of this Report and are set out as separate annexures to this Report. The certificate from the Auditors of the company certifying compliance of condition of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed to Report on Corporate governance.

DEPOSITS :

During the period under review, your Company has not accepted any deposit from the Public.

ACKNOWLEDGEMENTS:

Your Directors acknowledge the co-operation and assistance received from the Shareholders, Doctors, Banks and various Government Agencies. Your Directors wish to place on record their sincere appreciation for the contribution made by the employees.

For and on behalf of the Board of Directors

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

ASHOK KUMAR GOENKA
CHAIRMAN

N.G. INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

A. CONSERVATION OF ENERGY

Not applicable to our Industry.

B. TECHNOLOGY ABSORPTION

Research & Development :

1. Specific Areas in which R&D carried out by the Company.
 - (a) Establishment of high standard modern Laboratory for conducting R&D in the field of Embryology, Diagnostics, etc.
 - (b) Carried out training sessions with Consultants for training in various aspects of Diagnosis, Treatment, Embryology etc. through assimilation / adoption of latest technology.
2. Benefits derived as a result of the above R&D. Develop superior skills and expertise, the benefits of which will go to patients of our Medical Centre in form of quality of services.
3. Future plan of Action.
 - (a) Develop new techniques and improvements in various fields of Medical Diagnostics, Infertility etc.
 - (b) To obtain accreditation from NABL for our Laboratory and NABH for our Nursing Home.
4. Expenditure on R&D. The Medical Centre has incurred capital costs for the facilities including Laboratories which are also being made use for R&D purposes. As such no separate costs have so far been quantified as R&D Expenditure.
5. Technology Absorption, Adaption and Innovations :

The Company had taken technology only from its Indian collaborators, M/s. Hope Infertility Clinic, Bangalore and has successfully adapted and absorbed its technology needs for its various Infertility procedures. The collaboration has since been concluded at the end of 5 years.

6. EXPORTS, FOREIGN EXCHANGE EARNINGS AND OUTGO :

1. EXPORTS ACTIVITIES & EXPORTS PLANS:

The Company's activities are in the field of Medical Services at its Centres in Kolkata and as such has no export possibilities.

2. FOREIGN EXCHANGE EARNINGS AND OUTGO (Rs. in lacs)

| | <u>2010 - 2011</u> | <u>2009 - 2010</u> |
|----------|--------------------|--------------------|
| EARNINGS | NIL | NIL |
| OUTGO | 0.57 | NIL |

N.G. INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

COMPANY VISION : Our vision for the next phase of development is to be considered the best in Kolkata for affordable Healthcare by the Common Citizen.

MISSION STATEMENT : Our mission is to bring Complete Healthcare of excellent Standards in an affordable manner to all Citizens.

1. Company's Philosophy on Code of Governance:

N.G. Industries Limited has over the years endeavored to follow practice of Corporate Governance. N.G. Industries Limited's business objective and that of its management and employees is to provide world class Medical Services at economical rates to citizens. In addition to compliance with regulatory requirements, N.G. Industries Limited endeavors to ensure that standards of ethical and responsible conduct are met throughout the organisation. We believe that Corporate Governance is dependent on transparency, maximum disclosures, un-biased monitoring and being fair to all including shareholders, especially minority shareholders.

2. Board of Directors

As per the requirements of Corporate Governance the composition of Board of Directors is required to have combination of non-executive and independent Directors alongwith the executive Directors.

The Board of Directors of the Company include eminent personalities from all walks of life.

Composition of Board of Directors:

The present strength of the Board is eight Directors. The Board comprises of two Executive and six Non Executive Directors.

| Name of Director | Executive/Non executive/Independent/ Non Independent | No. of outside Directorship | Other Committees | |
|---------------------------|---|--------------------------------|------------------|----------|
| | | | Member | Chairman |
| Mr. Ashok Kumar Goenka | Non-Executive/Non-Independent | 2 | 1 | 1 |
| Mr. Ashok Bhat | Executive/Non-Independent | 0 | | |
| Mr. Banwari Lal Goenka | Non-Executive/Non-Independent | 0 | | |
| Mr. Jagdish Chand Kumbhat | Non-Executive/Independent | 4 | | |
| Mr. Raj Kumar Bajoria | Non-Executive/Independent | 2 | 1 | |
| Mr. Rajesh Goenka | Executive/Non-Independent | 3 | 1 | 1 |
| Dr. Subash R. Kamath | Non-Executive/Independent | 0 | | |
| Mr. Vinod Singhi | Non-Executive/Independent | 3 | | |

Inter Director Relationship:

Mr.Banwari Lal Goenka – Father of Mr.Ashok Kumar Goenka & Mr.Rajesh Goenka

Mr.Ashok Kumar Goenka – Son of Mr.Banwari Lal Goenka & Brother of Mr.Rajesh Goenka

Mr.Rajesh Goenka – Son of Mr.Banwari Lal Goenka & Brother of Mr.Ashok Kumar Goenka

Attendance record of Directors:

| Name of Director | No. of Board Meetings Held | Attended | Attended last AGM |
|---------------------------|----------------------------|----------|-------------------|
| Mr. Ashok Kumar Goenka | 7 | 7 | Yes |
| Mr. Ashok Bhat | 7 | 7 | Yes |
| Mr. Banwari Lal Goenka | 7 | 7 | No |
| Mr. Jagdish Chand Kumbhat | 7 | 6 | No |
| Mr. Raj Kumar Bajoria | 7 | 6 | Yes |
| Mr. Rajesh Goenka | 7 | 7 | Yes |
| Dr. Subash R. Kamath | 7 | 7 | Yes |
| Mr. Vinod Singhi | 7 | 7 | No |

The Chairman of the Board is a Non Executive Director and the number of Independent Directors on the Board meet the requirement of Corporate Governance.

N.G. INDUSTRIES LIMITED

No. of Board Meetings Held 2010-2011:

Total seven Meetings were held during the year 2010-2011. The dates on which the said Meetings were held are as follows:-

| | | |
|-----------------|--------------------|--------------------|
| 09th April,2010 | 05th October,2010 | 11th February,2011 |
| 29th May,2010 | 29th October,2010 | - |
| 30th July,2010 | 24th December,2010 | - |

Details of Directors being re-appointed (Brief Resume)

| | | |
|--|--------------------------------|--|
| Name of Director | Shri Banwari Lal Goenka | Shri Jagdish Chand Kumbhat |
| Date of Birth | 09.01.1935 | 21.08.1952 |
| Qualification | Matriculate | F.C.A. |
| Experience | 49 years in Business & Trading | 34 years in Finance & Corporate Management |
| List of other Companies in which Directorship held as on 31.03.2011 | None | 1. Sombaria Co.Ltd. 2. Indo-Carbon Industries Ltd. 3. Classic Trade Holdings Ltd. 4. Speedways International Pvt.Ltd. |
| Chairman/Member of the Committees of the Board of Director of other Companies in which he is a Director as on 31.03.2011 | None | None |

3. Code of Conduct

The Company has adopted a code of conduct for the Board of Directors and Senior Management of the Company and all of them have affirmed compliance of the same.

4. Audit Committee

The Company has constituted an Audit Committee comprising of Mr. Jagdish Chand Kumbhat, non-executive and independent Director, Mr.Raj Kumar Bajoria, non-executive and independent Director and Dr. Subash R. Kamath, a non-executive and independent Director, Mr.Jagdish Chand Kumbhat being the Chairman of the Committee.

Out of the above, Mr.Jagdish Chand Kumbhat and Mr. Raj Kumar Bajoria are highly experienced in accounting and financial aspects as well as Corporate laws.

Brief terms of references of the Audit Committee

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors. These include oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible; reviewing annual and quarterly financial statements with management before submission to the Board; reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the Company's financial risk and management policies.

N.G. INDUSTRIES LIMITED

Audit Committee Meeting and attendance during the year

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

| Name of Director | No. of Meetings attended |
|---------------------------|--------------------------|
| Mr. Jagdish Chand Kumbhat | 4 |
| Mr. Raj Kumar Bajoria | 4 |
| Dr. Subash R. Kamath | 4 |

5. Subsidiary Companies

The Company has no Subsidiary.

6. Disclosure of issue proceeds

The Company did not make any Public, Rights or Preferential Issue of Securities during 2010-2011.

7. Shareholders Committee

a) Share Transfer Committee

The Share Transfer Committee was constituted to deal with various matters relating to share transfer/ transmission, issue of duplicate share certificates, approving the split and consolidation request and other matters relating to transfer and registration of shares.

The members of the committee are Mr.Ashok Bhat, Whole-time-Director, Mr.Rajesh Goenka, Whole-time-Director and Mr.Vinod Singhi, non-executive & independent Director. Mr.Ashok Bhat is the Chairman of the Committee. During financial year 2010-2011, One share transfer committee meeting was held.

b) Shareholders/Investors grievances Committee

The company constituted the Shareholders/Investors grievances committee to oversee the redressal of shareholders' and investors' grievances in relation to transfer of shares, non-receipt of annual report and non-receipt of dividend.

Shareholders/Investors Grievance Committee comprises of Mr.Ashok Bhat, Whole-time-Director & Compliance Officer, Mr.Raj Kumar Bajoria, non-executive & independent Director and Mr. Vinod Singhi, non-executive & independent Director. Mr. Vinod Singhi is the Chairman of the Committee.

Shareholders/Investors grievances Committee Meeting and attendance during the year

During 2010-2011 The Shareholders/Investors grievances Committee Meetings were held on 29.05.2010, 30.07.2010, 29.10.2010 & 11.02.2011.

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

A total of 11 complaints were received during the year under review, out of which none were pending as on 31st March, 2011.

N.G. INDUSTRIES LIMITED

8. Remuneration Committee

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

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

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

The Company does not have any stock option scheme.

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

9. Board Meetings and Procedures

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

10. Details of General Meetings

Location and time for last three Annual General Meetings held:

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

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

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

N.G. INDUSTRIES LIMITED

11. Certificate from Wholetime Director and Chief Financial Officer

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

12. Disclosures

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

13. Means of Communication

a) Results published in the Newspapers:

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

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

b) Official News release Not Issued

c) Presentation to

Institutional Investors Not done.

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

14. General Shareholders Information

a) Annual General Meeting:

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

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

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

N.G. INDUSTRIES LIMITED

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

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

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

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

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

f) Website : The Company has put up a website www.ngind.com with all information for shareholders.

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

h) Stock Market Data

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

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

N.G. INDUSTRIES LIMITED

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

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

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

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

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

k) Divisions

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

N.G. INDUSTRIES LIMITED

l)Dematerialisation of Shares

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

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

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

n)Investors correspondence may be addressed to

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

Or

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

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

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

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

Kolkata
30th day of May, 2011

Rajesh Goenka
Whole-time-Director

N.G. INDUSTRIES LIMITED

Whole-Time-Director & CFO Certification

The Board of Directors
N.G. Industries Limited
Kolkata

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

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

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

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

Rajesh Goenka
Whole-time-Director &
Chief Financial Officer

Ashok Bhat
Whole-time-Director

N.G. INDUSTRIES LIMITED

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

To the members of N. G. Industries Limited

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

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

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

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

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

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

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

CA. M. R. SINGHWI
Partner
Membership No.050650

N.G. INDUSTRIES LIMITED

MANAGEMENT DISCUSSION & ANALYSIS

A) INDUSTRY STRUCTURE & DEVELOPMENT :

India's continued to growth in its GDP and particularly the accelerated growth in the services sector has created a very large unfolding of various sectors, Healthcare being one of the prominent ones.

Rising incomes in the hands of our citizens, increasing health awareness in society at large, increasing population of older citizens, new technologies in the sector, longer life expectancies, Health Insurance penetration, Medical Tourism on the rise are amongst factors which are contributing to the growth in our sector and will lead to major changes in the industry and its profile in the coming years.

B) OPPORTUNITIES,THREATS,RISKS AND CONCERNS :

Reputation Risk :

The business runs the risk of unfavorable publicity in case of unsuccessful treatment translating into reduction of patient flow.

Risk Mitigation :

The Company mitigates this risk through adopting a philosophy of ethical practices as well as transparent dealings with patients in all matters and explaining to the patients in plain layman language the pros and cons of the treatment as well as realistic assessments for recovery. Quality Audit and adherence to strict protocols also mitigates this risk.

Attrition Risk:

In the event of good professionals leaving the Company it stands to lose the years of on job training.

Risk Mitigation :

The Company provides professionals a very good and challenging environment with continuous growth. The Company is also always on its lookout to induct new and good professionals to keep strengthening its team. Ethical practices of the Company and its policy of transparent functioning also go a long way in good bonding with the best professionals who share similar philosophy.

Business Attrition :

Independent Consultants who refer their patients to us might begin to refer them elsewhere. With several Medical Centres coming up in the city, this is a threat no Company can afford to ignore.

Risk Mitigation :

To prevent this from happening the Company keeps close interaction with all leading Consultants and strives to keep services at levels meeting their standards. Company also on an ongoing basis carries out seminars and meetings to keep consultants well informed about the latest developments in the field. Company also strives to enlarge its referral base and not depend on few individuals for any of its services. Company is also continuously investing in newer Technologies and equipments to stay ahead in offering value added and superior quality of tests and at affordable tariffs. The Company's steps in investing in an Indoor New Facility has gone a long way in enhancing the Company's Image, range of services as well as depth of customer satisfaction.

N.G. INDUSTRIES LIMITED

C) OUTLOOK

Your Company operates in an industry that is increasingly getting even more competitive. However the outlook of your Company looks good on account of the following reasons.

- 1) The Medical & Healthcare needs of the city and the state continue to grow in terms of range of services. Increased health awareness of citizens as well as growing income in hands of citizens is leading to more services of better order.
- 2) The Company's policy of continuously enhancing its value of services is ongoing and has added to its name and reputation and it has emerged as a reliable and affordable place for all sections of the city. The Company is also enlarging its coverage by new sectors like CGHS, Corporates, Insurance etc.
- 3) The Company's New division's - "N.G.Nursing Home" as well as "N.G. Pharmacy" have produced fresh opportunities in the near future for growth.
- 4) The growth of Medical Insurance in the country will make healthcare more affordable and will spur growth for the Company. The Company has already registered itself with a large number of TPA's for this purpose.
- 5) Your Company has managed to operate as well as set up its new divisions without any induction of Capital or any major borrowing thereby, has prudently avoided any cost of funds as is so common for any competitive venture.

D) INTERNAL CONTROL :

Your Company has adequate internal control systems, commensurate with its size of operations and works in a highly-automated environment.

E) HUMAN RESOURCES/INDUSTRIAL RELATIONS :

The Company recognises the importance and contribution of its Human Resources for its growth and development and is committed to the development of its people. The Company has started introducing methods and practices for Human Resources Development. Your Company has during the previous year continued to have good industrial relations with its employees.

F) FINANCIAL AND OPERATIONAL PERFORMANCE :

Please refer Directors' Report.

N.G. INDUSTRIES LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF N.G.INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **N.G.INDUSTRIES LIMITED** ("the Company"), as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order,2004, (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

N.G. INDUSTRIES LIMITED

- e) On the basis of the written representations received from the directors of the Company, as on 31st March, 2011 and taken on record by the Board of Directors of the Company, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- f) Attention is drawn regarding non accounting of certain expenses on accrual basis, the impact of which on the Company's Profit & Loss Account Debit Balance is not ascertainable.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **M.R.SINGHWI & CO**
Chartered Accountant
Firm Registration No.312121E

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

(**CA. M.R.SINGHWI**)
Partner
Membership No. 050650

N.G. INDUSTRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of **N.G.INDUSTRIES LIMITED** on the financial statements for the year ended March 31, 2011.

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) The fixed assets have been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

c) Since there is no disposal of substantial part of fixed assets during the year, paragraph 4(i)(c) of the Companies (Auditor's Report) Order, 2003 is not applicable.
2. a) The management has conducted the physical verification of inventory at reasonable intervals during the year. As informed, no material discrepancies were noticed on such physical verification.

b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

c) The Company has maintained proper record of its inventories and no discrepancies were noticed on physical verification.
3. According to the information and explanation given to us & in our opinion the company has not granted or taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies' Act, 1956. Accordingly clauses 4(iii)(a) to 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 are not applicable.
4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register in pursuance Section 301 of Act, have been so entered in the register maintained as per requirement of that Section.

b) In our opinion and according to the information and explanations given to us, each of these transactions have been made in pursuance of such contracts or arrangements at prices which are reasonable having regard to the prevailing market prices at the relevant time.

N.G. INDUSTRIES LIMITED

6. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
7. In our opinion, the company did not have any internal audit system during the year under review, but their internal control procedure involves reasonable internal check of its financial records.
8. The provisions of the Companies Act for maintenance of cost records under Section 209(1)(d) are not applicable to the company.
9. a) According to the information and explanations given to us and the books and records examined by us, the company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to Provident Fund, Employees State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable to it.

b) According to the information and explanations given to us and the books and records examined by us, there are no undisputed amount payable, in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess outstanding as at 31st March, 2011 for a period exceeding 6 months from the date they become payable.
10. The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institution, bank or to debenture holders.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of special nature applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanation given to us, the Company has applied the term loans for the purpose for which the loans have been obtained.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investments.

N.G. INDUSTRIES LIMITED

18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any Debenture.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given by the management to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **M.R.SINGHWI & CO**
Chartered Accountant
Fir Registration No.312121E

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

(CA. M.R.SINGHWI)
Partner
Membership No. 050650

N.G.INDUSTRIES LIMITED
17, Chittranjan Avenue, Kolkata 700 072

Balance Sheet as at 31st March, 2011

| Description | Schedule No. | As at 31.03.2011 Rs. | As at 31.03.2010 Rs. |
|--|--------------|-------------------------|-------------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds : | | | |
| Share Capital | 1 | 3,35,05,000 | 3,35,05,000 |
| Reserves & Surplus | 2 | 8,85,42,699 | 8,35,86,011 |
| TOTAL | | 12,20,47,699 | 11,70,91,011 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets : | 3 | | |
| Gross Block | | 9,02,01,364 | 8,70,37,229 |
| Less : Depreciation | | 4,75,47,226 | 4,08,06,376 |
| Net Block | | 4,26,54,138 | 4,62,30,853 |
| Investments | 4 | 7,86,16,233 | 6,88,63,114 |
| Deferred Tax Assests (Net) | | 10,19,818 | 6,53,730 |
| Current Assets, Loans & Advances : | 5 | | |
| Inventories | | 59,73,322 | 59,81,356 |
| Sundry Debtors | | 10,69,893 | 11,43,685 |
| Cash & Bank Balances | | (41,98,440) | (58,14,858) |
| Loans & Advances | | 4,66,55,793 | 5,62,97,334 |
| | | 4,95,00,568 | 5,76,07,517 |
| Less : Current Liabilities & Provisions | 6 | | |
| Current Liabilities | | 15,69,636 | 18,45,051 |
| Provisions | | 4,81,73,422 | 5,44,19,152 |
| | | 4,97,43,058 | 5,62,64,203 |
| Net Current Assets | | (2,42,490) | 13,43,314 |
| TOTAL | | 12,20,02,404 | 11,70,91,011 |
| Accounting Policy & Notes to the Accounts | 9 | | |

In terms of our Report of even date
For M.R. Singhwi & Co.
Chartered Accountants
Firm Registration No. 312121E

CA. M.R. Singhwi
(Partner)
Membership No. 050650
Place : Kolkata
Dated : 30th day of May, 2011

For and on behalf of the Board
ASHOK KUMAR GOENKA
Chairman

RAJESH GOENKA
Director

ASHOK BHAT
Director

N.G.INDUSTRIES LIMITED
17, Chittranjan Avenue, Kolkata 700 072

Profit & Loss Account for the year ended 31st March, 2011

| Description | Schedule No. | As at 31.03.2011 Rs. | As at 31.03.2010 Rs. |
|--|--------------|-------------------------|-------------------------|
| INCOME | | | |
| Medical Centre Revenue | | 11,17,27,819 | 10,11,29,374 |
| Other Income | 7 | 67,02,905 | 98,96,411 |
| TOTAL | | 11,84,30,724 | 11,10,25,785 |
| EXPENDITURE : | | | |
| Operating & Other Expenses | 8 | 8,53,14,662 | 7,67,09,354 |
| Interest | | 1,92,269 | 3,90,462 |
| Depreciation | | 75,14,650 | 67,78,443 |
| TOTAL | | 9,30,21,581 | 8,38,78,259 |
| Profit before tax | | 2,54,09,143 | 2,71,47,526 |
| Provision for Taxation | | | |
| Income Tax | | 69,10,000 | 61,87,000 |
| Deferred Tax | | (3,66,088) | (2,24,272) |
| Less : Income Tax adjustment for earlier year | | 2,79,421 | - |
| Profit after tax | | 1,85,85,810 | 2,11,84,798 |
| Balance brought forward | | 6,18,58,496 | 5,46,33,450 |
| TOTAL | | 8,04,44,306 | 7,58,18,248 |
| Appropriations : | | | |
| Proposed Dividend | | 1,17,26,750 | 1,00,51,500 |
| Dividend Tax | | 19,02,372 | 17,08,252 |
| Transfer to General Reserve | | 20,00,000 | 22,00,000 |
| Balance Carried forward to Balance Sheet | | 6,48,15,184 | 6,18,58,496 |
| TOTAL | | 8,04,44,306 | 7,58,18,248 |
| Basic and Diluted Earning Per Share | | 5.55 | 6.32 |
| Accounting policy & Notes to the Accounts | 9 | | |

In terms of our Report of even date
For M.R. Singhwi & Co.
Chartered Accountants
Firm Registration No. 312121E

For and on behalf of the Board
ASHOK KUMAR GOENKA
Chairman

CA. M.R. Singhwi
(Partner)
Membership No. 050650
Place : Kolkata
Dated : 30th day of May, 2011

RAJESH GOENKA
Director

ASHOK BHAT
Director

N.G.INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2011

(Pursuant to Amendment to Clause 32 of the Listing Agreement)

| Description | For the Year Ended 31.03.2011 | | For the Year Ended 31.03.2010 | |
|--|----------------------------------|----------------------|----------------------------------|----------------------|
| | Rs. | Rs. | Rs. | Rs. |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit as per Profit & Loss Account | | 2,54,09,143 | | 2,71,47,526 |
| Adjustment for : | | | | |
| Add : Depreciation | 75,14,650 | | 67,78,443 | |
| | | 75,14,650 | | 67,78,443 |
| | | 3,29,23,793 | | 3,39,25,969 |
| Less : Interest Received | 2,59,730 | | 87,831 | |
| Dividend Received | 14,40,000 | | 20,63,990 | |
| Profit on Sale of Fixed Assets | (84,609) | | (2,11,870) | |
| Profit on Sale of Investments | 50,86,584 | 67,01,705 | 79,55,260 | 98,95,211 |
| Operating Profit Before working Capital Changes | | 2,62,22,088 | | 2,40,30,758 |
| Adjustment for | | | | |
| Inventories | 8,034 | | (20,87,820) | |
| Sundry Debtors | 73,792 | | (4,01,800) | |
| Loans & Advances | 83,753 | | 9,21,526 | |
| Liabilities for Expenses | (3,08,689) | (1,43,110) | 7,31,964 | (8,36,130) |
| Cash Generated from Operation | | 2,60,78,978 | | 2,31,94,628 |
| Direct Tax paid | | (57,46,733) | | (68,83,337) |
| Net Cash Flow from Operating Activities | | 2,03,32,245 | | 1,63,11,291 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | | | |
| Purchase of Fixed Assets | (40,72,543) | | (1,70,67,264) | |
| Sale of Fixed Assets | 50,000 | | 2,45,000 | |
| Purchase of Investments | (2,82,41,406) | | (5,98,85,809) | |
| Sale of Investment | 2,35,74,870 | | 6,88,07,345 | |
| Interest Received | 2,59,730 | | 87,831 | |
| Dividend Received | 14,40,000 | | 20,63,990 | |
| Net Cash Flow from Investing Activities | | (69,89,349) | | (57,48,907) |
| C. CASH FLOW FROM FINANCIAL ACTIVITIES | | | | |
| Dividend Paid | (1,00,18,226) | | (96,86,044) | |
| Dividend Tax Paid | (17,08,252) | | (16,51,311) | |
| Net Cash Flow from Financial Activities | | (1,17,26,478) | | (1,13,37,355) |
| Net Increase in Cash & Cash Equivalents (A+B+C) | | 16,16,418 | | (7,74,971) |
| Cash & Cash Equivalents as at 01.04.2010/01.04.2009 | | (58,14,858) | | (50,39,887) |
| Cash & Cash Equivalents as at 31.03.2011/31.03.2010 | | (41,98,440) | | (58,14,858) |

In terms of our Report of even date

For M.R. Singhwi & Co.

Chartered Accountants

Firm Registration No. 312121E

CA. M.R. Singhwi

(Partner)

Membership No. 050650

Place : Kolkata

Dated : 30th day of May, 2011

For and on behalf of the Board

ASHOK KUMAR GOENKA

Chairman

RAJESH GOENKA

Director

ASHOK BHAT

Director

N.G.INDUSTRIES LIMITED
17, Chittranjan Avenue, Kolkata 700 072

Schedules forming part of the Balance Sheet

| Description | As at 31.03.2011 Rs. | At at 31.03.2010 Rs. |
|--|----------------------------|----------------------------|
| SCHEDULE - 1 | | |
| SHARE CAPITAL | | |
| AUTHORISED | | |
| 35,00,000 Equity Shares of Rs. 10/- each | 3,50,00,000 | 3,50,00,000 |
| (Previous Year 35,00,000 Equity Shares of Rs. 10/- Each) | 3,50,00,000 | 3,50,00,000 |
| ISSUED, SUBSCRIBED AND PAID-UP: | | |
| 33,50,500 Equity Shares of Rs. 10/- each fully paid-up | 3,35,05,000 | 3,35,05,000 |
| (Previous Year 33,50,500 Equity Shares of Rs. 10/- Each) | 3,35,05,000 | 3,35,05,000 |
| SCHEDULE - 2 | | |
| RESERVES & SURPLUS | | |
| General Reserves | | |
| As Per last Balance Sheet | 2,17,27,515 | 1,95,27,515 |
| Add : Transferred from Profit & Loss Account | 20,00,000 | 22,00,000 |
| | 2,37,27,515 | 2,17,27,515 |
| Surplus in Profit & Loss Account | 6,48,15,184 | 6,18,58,496 |
| TOTAL | 8,85,42,699 | 8,35,86,011 |

N.G.INDUSTRIES LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE 3 : Fixed Assets

| Particulars | G R O S S B L O C K | | | | D E P R E C I A T I O N | | | | N E T B L O C K | |
|--|---|--|------------------------------|---|---|---|------------------------------|---|--|---|
| | Balance as on 01.4.2010 | Addition this year | Sales this year | Balance as on 31.3.2011 | Balance as on 01.4.2010 | Charge for the year | Withdrawn this year | Balance as on 31.3.2011 | Balance as on 31.3.2011 | Balance as on 31.3.2010 |
| Airconditioners & Refrigerators Computers & Printers Electricals | 31,80,914 47,02,204 | 1,41,342 1,31,493 | - - | 33,22,256 48,33,697 | 17,14,422 35,21,435 | 2,12,640 4,98,191 | - - | 19,27,062 40,19,626 | 13,95,194 8,14,071 | 14,66,492 11,80,769 |
| & Office equipments Furniture & Fixtures Land & Building Medical Equipments Motor Vehicles | 55,09,969 1,20,81,747 2,47,67,125 3,34,31,750 33,63,520 | 4,20,174 25,56,914 1,01,188 7,21,432 - | - - - - 9,08,408 | 59,30,143 1,46,38,661 2,48,68,313 3,41,53,182 24,55,112 | 24,85,394 58,36,176 60,68,468 1,92,02,285 19,78,196 | 4,52,484 13,82,729 17,37,919 28,80,171 3,50,516 | - - - - 7,73,800 | 29,37,878 72,18,905 78,06,387 2,20,82,456 15,54,912 | 29,92,265 74,19,756 1,70,61,926 1,20,70,726 9,00,200 | 30,24,575 62,45,571 1,86,98,657 1,42,29,465 13,85,324 |
| Total | 8,70,37,229 | 40,72,543 | 9,08,408 | 9,02,01,364 | 4,08,06,376 | 75,14,650 | 7,73,800 | 47,547,226 | 4,26,54,138 | 4,62,30,853 |
| Previous year | 8,01,06,765 | 1,70,67,264 | 1,01,36,800 | 8,70,37,229 | 4,37,07,863 | 67,78,443 | 96,79,930 | 4,08,06,376 | 4,62,30,853 | 3,63,98,902 |

N.G.INDUSTRIES LIMITED
17, Chittranjan Avenue, Kolkata 700 072

Schedules forming part of the Balance Sheet

| Description | Face Value Rs. | Quantity 31.03.2011 | Quantity 31.03.2011 | As at 31.03.2011 Rs. | At at 31.03.2010 Rs. |
|--|-------------------|------------------------|------------------------|----------------------------|----------------------------|
| SCHEDULE - 4 | | | | Rs. | Rs. |
| INVESTMENTS | | | | | |
| (At cost, other than trade fully paid-up unless otherwise specified) | | | | | |
| LONG TERM INVESTMENTS | | | | | |
| QUOTED | | | | | |
| Gujarat State Fertilizer & Chemicals | 10 | 100000 | 150000 | 1,68,02,997 | 2,52,74,502 |
| J. P. Associates Ltd. | 2 | 120000 | - | 1,00,33,725 | - |
| J. P. Power Ventures Ltd. | 10 | 268000 | - | 1,12,33,502 | - |
| Ramkrishna Forgings Ltd. | 10 | 50000 | 50000 | 53,92,731 | 1,00,16,782 |
| Reliance Industries Ltd. | 10 | 25000 | 25000 | 2,46,78,429 | 2,46,78,429 |
| Syndicate Bank | 10 | 180000 | 163100 | 1,04,74,849 | 88,93,401 |
| TOTAL | | | | 7,86,16,233 | 6,88,63,114 |
| Market Value of Quoted Investments | | | | 10,99,00,700 | 7,99,02,315 |

N.G.INDUSTRIES LIMITED
17, Chittranjan Avenue, Kolkata 700 072

Schedules forming part of the Balance Sheet

| Description | As at 31.03.2011 Rs. | At at 31.03.2010 Rs. |
|--|----------------------------|----------------------------|
| SCHEDULE - 5 | | |
| CURRENT ASSETS, LOANS & ADVANCES | | |
| INVENTORIES | | |
| Medical Consumables | 59,70,352 | 59,78,386 |
| Postage & Stamps | 2,970 | 2,970 |
| TOTAL | 59,73,322 | 59,81,356 |
| SUDRY DEBTORS | | |
| (Unsecured, considered good) | | |
| More than six months | - | - |
| Other Debts | 10,69,893 | 11,43,685 |
| TOTAL | 10,69,893 | 11,43,685 |
| CASH & BANK BALANCES | | |
| Cash in hand | 4,30,821 | 9,08,871 |
| (As certified by the management) | | |
| Cash at Bank (with Scheduled Banks) | | |
| - In Current Accounts (Due to Reconciliation) | (57,62,963) | (78,47,595) |
| - In Fixed Deposit Accounts | 6,31,356 | 6,54,894 |
| - In Gratuity Fund Trust Accounts | 1,000 | 1,000 |
| - In Unpaid Dividend Accounts | 5,01,246 | 4,67,972 |
| TOTAL | (41,98,440) | (58,14,858) |
| LOANS & ADVANCES | | |
| (Unsecured, considered good) | | |
| Income Tax refund due | (455) | (455) |
| Advances recoverable in cash or in kind or for value to be received | 6,75,298 | 6,51,554 |
| Prepaid Expenses | 1,66,234 | 1,42,362 |
| Staff Advances | 34,989 | 2,14,153 |
| Advance Income Tax & Tax deducted at source | 3,55,99,979 | 4,48,02,970 |
| Advance Fringe Benefit Tax | 3,26,468 | 6,81,266 |
| Security Deposit | 98,39,345 | 98,05,484 |
| Service Tax Input | 13,935 | - |
| | 4,66,55,793 | 5,62,97,334 |
| TOTAL | 4,95,00,568 | 5,76,07,517 |

N.G.INDUSTRIES LIMITED
17, Chittranjan Avenue, Kolkata 700 072

Schedules forming part of the Balance Sheet

| Description | As at 31.03.2011 Rs. | At at 31.03.2010 Rs. |
|---|----------------------------|----------------------------|
| SCHEDULE - 6 | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| CURRENT LIABILITIES | | |
| Liabilities for Expenses | 4,57,503 | 8,89,863 |
| Other Liabilities | 77,857 | 6,016 |
| Security Deposit | 1,88,000 | 1,97,000 |
| Tax Deducted at Source | 3,45,030 | 2,84,200 |
| Unpaid Dividend | 5,01,246 | 4,67,972 |
| TOTAL | <u>15,69,636</u> | <u>18,45,051</u> |
| PROVISIONS | | |
| Proposed Dividend | 1,17,26,750 | 1,00,51,500 |
| Dividend Tax | 19,02,372 | 17,08,252 |
| Income Tax | 3,43,50,000 | 4,21,13,000 |
| Fringe Benefit Tax | 1,94,300 | 5,46,400 |
| | <u>4,81,73,422</u> | <u>5,44,19,152</u> |
| TOTAL | <u>4,97,43,058</u> | <u>5,62,64,203</u> |

Schedules forming part of the Profit & Loss Account

| Description | As at 31.03.2011 Rs. | At at 31.03.2010 Rs. |
|--|----------------------------|----------------------------|
| SCHEDULE - 7 | | |
| OTHER INCOME | | |
| Interest Received (TDS Rs. 9,178/- previous Year Rs. 8,656/-) | 2,59,730 | 87,831 |
| Dividend Received | 14,40,000 | 20,63,990 |
| Income from Sale of Investments | 50,86,584 | 79,55,260 |
| Miscellaneous Receipts | 1,200 | 1,200 |
| Profit (Loss) on sale of Fixed Assests | (84,609) | (2,11,870) |
| TOTAL | <u>67,02,905</u> | <u>98,96,411</u> |

N.G.INDUSTRIES LIMITED
17, Chittranjan Avenue, Kolkata 700 072

Schedules forming part of the Profit & Loss Account

| Description | For the Year Ended 31.03.2011 Rs. | For the Year Ended 31.03.210 Rs. | |
|---|---|--|-------------|
| SCHEDULE - 8 : OPERATING & OTHER EXPENSES | | | |
| Medical Consumables | | | |
| Opening Stock | 59,78,386 | 38,90,566 | |
| Add : Purchases | 3,25,03,051 | 3,11,99,466 | |
| | <u>3,84,81,437</u> | <u>3,50,90,032</u> | |
| Less : Closing Stock | <u>59,70,352</u> | <u>59,78,386</u> | 2,91,11,646 |
| Payments to & Provisions for Employees | | | |
| Salaries, Wages & Bonus | 38,08,557 | 36,98,620 | |
| Staff Welfare Expenses | 3,35,205 | 3,47,352 | |
| Directors' Remuneration | 4,80,000 | 4,56,000 | |
| Contribution to Gratuity Fund | 33,869 | 16,293 | |
| Contribution to Provident Fund | <u>5,73,090</u> | <u>5,51,359</u> | 50,69,624 |
| ESI & other Funds | | | |
| Marketing Expenses | | | |
| Advertisement Charge | 3,01,190 | 3,42,700 | |
| Service Promotion Expenses | <u>1,74,648</u> | <u>4,75,838</u> | 3,42,700 |
| Administrative & Other Expenses | | | |
| Annual Maintenance Charges | 11,24,523 | 8,59,829 | |
| Auditors' Remuneration | 67,974 | 38,605 | |
| Conveyances Expenses | 8,24,722 | 8,28,547 | |
| Directors' Sitting Fees | 20,000 | 21,500 | |
| Directors' Commission | 4,10,898 | 3,76,474 | |
| Donation Paid | 5,68,000 | - | |
| Electricity Charges | 30,07,565 | 28,15,986 | |
| Insurance Charges | 1,63,659 | 2,06,738 | |
| Laundry Expenses | 2,92,976 | 2,67,658 | |
| Linen Expenses | 3,64,599 | 2,22,596 | |
| Listing Fees | 22,612 | 23,729 | |
| Miscellaneous Expenses | 12,27,090 | 11,34,240 | |
| OT Complex Maintenance Charges | 15,34,771 | 14,16,246 | |
| Printing & Stationery | 10,74,084 | 13,02,341 | |
| Professional Service Fees | <u>2,70,29,342</u> | <u>2,36,17,240</u> | |

Contd...Page...35

N.G.INDUSTRIES LIMITED
17, Chittranjan Avenue, Kolkata 700 072

Schedules forming part of the Profit & Loss Account

| Description | For the Year Ended 31.03.2011 Rs. | For the Year Ended 31.03.2010 Rs. |
|---|---|---|
| SCHEDULE - 8 : OPERATING & OTHER EXPENSES (Contd.) | | |
| Rent, Rates & Taxes | 11,66,641 | 11,70,731 |
| Repair & Maintenance | 16,21,254 | 21,68,672 |
| Security Charges | 2,14,569 | 1,74,135 |
| Telecommunication Expenses | 4,16,594 | 4,19,483 |
| Testing Charges | 18,54,896 | 15,72,733 |
| Traveling Expenses | 1,71,313 | - |
| Up-Keep & Maintenance | 9,28,172 | 10,13,094 |
| Vehicles Up-Keeps | 4,92,686 | 4,07,095 |
| Ward Kitchen & Canteen | 24,98,078 | 21,27,712 |
| TOTAL | <u>4,70,97,018</u> | <u>4,21,85,384</u> |
| | <u>8,53,14,662</u> | <u>7,67,09,354</u> |

N.G.INDUSTRIES LIMITED

Schedules forming part of the Accounts

SCHEDULE - 9 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A Significant Accounting Policies

a. Basis of preparation of accounts

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities.

c. Fixed assets

i)Tangible assets

Fixed assets are stated at cost of acquisition inclusive of duties (net of CENVAT and other credits, wherever applicable), taxes, incidental expenses, erection / commissioning expenses and borrowing costs etc. up to the date the assets are ready for their intended use. Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual life of the respective assets.

Expenditure directly relating to construction activity are capitalised. Indirect expenditure incurred during construction period are capitalised as part of the indirect construction cost to the extent to which the expenditure are indirectly related to con.

Fixed Assets retired from active use are valued at net realisable value.

ii)Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Computer software is amortised on a straight line basis over a period of five years (except ERP software which is amortised over a period of three years)

d. Depreciation

Depreciation on Fixed Assets is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at rates determined based on the useful life of the assets, whichever is higher.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

Assets created but not owned by the Company are amortised over a period of five years.

e. Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment there of based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its.

N.G.INDUSTRIES LIMITED

SCHEDULE - 9 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

f. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term. Current investments are carried at lower of cost and fair value.

g. Inventories

Items of inventories are valued at lower of cost and net realizable value, on the following basis:

Raw materials, components, stores and spares - on a first in first out basis.

Work-in-process and finished goods - on the basis of absorption costing comprising of direct costs and overheads other than financial charges.

h. Revenue recognition

Revenue (income) is recognised when no significant uncertainty as to determination/realisation exists.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Insurance and other claims / refunds

Revenue, due to uncertainty in realisation, are accounted for on acceptance / actual receipt basis.

Interest

Revenue is recognised on a time proportion basis taking into account the amount and the rate applicable.

Dividends

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of Balance Sheet.

Export benefits

Export entitlements in the form of Duty Drawback and Duty Entitlement Pass Book (DEPB) Scheme are recognised in the Profit and loss Account when the right to receive credit as per the terms of the scheme is established in respect of exports made and when.

i. Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are accrued.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year.

N.G.INDUSTRIES LIMITED

SCHEDULE - 9 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

Short term compensated absences are provided for based on estimates. Long term Compensated absences are provided for based on actuarial valuation. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

j. Borrowing costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete.

k. Foreign currency transactions

Foreign currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence. Foreign currency monetary items are reported using the closing rates and exchange difference arising thereon is charged to the Profit and Loss Account.

l. Taxation

Tax expense comprises of current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax is recognized on a prudent basis for timing differences, being difference between taxable and accounting income/expenditure that originate in on period and are capable of reversal in one or more subsequent period (s).

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

m. Earning per share

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effects of all diluted potentia.

n. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and Short-term investments with an original maturity of three months or less.

o. Contingent liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.

p. Provisions

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made.

N.G.INDUSTRIES LIMITED

SIGNIFICANT ACCOUNTING POLICES AND NOTES TO ACCOUNTS (Constd.)

q. Directors' Remuneration

| | Rs. For the year ended March 31 | |
|---|------------------------------------|----------|
| | 2011 | 2010 |
| a Managerial remuneration under section 198 of the Companies Act, 1956: | | |
| (Paid to Managing Director and Whole Time Director) | | |
| i Salaries, allowances, exgratia, etc. | 4,80,000 | 4,56,000 |
| ii Contribution to provident fund | 57,600 | 54,720 |
| iii Perquisites | - | - |
| iv Commission | 4,10,898 | 3,76,474 |
| TOTAL | 9,48,498 | 8,87,194 |

Notes:

The above remuneration excludes:

- i amount of provision for gratuity and leave encashment.
- ii amount of sitting fees
- iii monetary value of non cash perquisites as per Income-tax Act, 1956

r. Research & Development

Revenue Expenditure is charged to Profit & Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the accounting year in which it is incurred.

s. Prior Period Items

Prior period expenses/income are accounted under the respective heads. Material items, if any are disclosed separately by way of a note.

t. Payment to auditors

| | Rs. For the year ended March 31 | |
|----------------------------|------------------------------------|--------|
| | 2011 | 2010 |
| a As auditors | | |
| - Statutory audit | 44,120 | 27,575 |
| - Tax audit | 16,545 | 11,030 |
| - Half yearly review | - | - |
| - Out of pocket expenses | - | - |
| b As advisor in respect of | - | - |
| - Income tax matters | - | 27,575 |
| - Company law matters | - | - |
| c In other manner | - | - |
| - Certifications | 7,721 | 8,824 |
| - VAT Audit | - | - |

N.G.INDUSTRIES LIMITED

SIGNIFICANT ACCOUNTING POLICES AND NOTES TO ACCOUNTS (Constd.)

u. Investments purchased and sold during the year

| Particulars of goods | For the year ended March 31 | | | |
|---------------------------------------|-----------------------------|-------------|----------|-------------|
| | 2011 | | 2010 | |
| | Nos | Value(Rs) | Nos | Value(Rs) |
| a Shares & Securities Purchased | | | | |
| 1. J.P. Associates Ltd. | 1,20,000 | 1,00,33,725 | - | - |
| 2. J.P. Power Ventures Ltd. | 2,68,000 | 1,12,33,502 | - | - |
| 3. Oriental Bank of Commerce | - | - | 4,300 | 7,91,032 |
| 4. Ramkrishna Forgings Ltd. | 50,000 | 53,92,731 | - | - |
| 5. Reliance Industries Ltd. | - | - | 25,000 | 2,46,78,429 |
| 6. Shipping Corporation of India Ltd. | - | - | 2,40,000 | 3,10,12,697 |
| 7. Syndicate Bank | 16,900 | 15,81,448 | 60,000 | 34,03,651 |
| Total | 4,54,900 | 2,82,41,406 | 3,29,300 | 5,98,85,809 |
| b Shares & Securities Sold | | | | |
| 1. GSFC Ltd. | 50,000 | 1,81,94,555 | - | - |
| 2. Oriental Bank of Commerce | - | - | 1,29,300 | 3,14,02,751 |
| 3. Ramkrishna Forgings Ltd. | 50,000 | 53,80,315 | - | - |
| 4. Shipping Corporation of India Ltd. | - | - | 2,40,000 | 3,74,04,594 |
| Total | 1,00,000 | 2,35,74,870 | 3,69,300 | 6,88,07,345 |

v. Earning per share (EPS)

| | Rs. For the year ended March 31 | |
|--|------------------------------------|-------------|
| | 2011 | 2010 |
| | | |
| a Profit after tax | 1,85,85,810 | 2,11,84,798 |
| b Weighted average number of equity shares | 33,50,500 | 33,50,500 |
| c Nominal value of equity per share | 10 | 10 |
| d Basic / diluted earning per share (EPS) | 5.55 | 6.32 |

w Disclosures of related party transactions :

- a List of related parties with whom the Company has transacted during the year
 - i Associate / Joint Venture Concerns
 - ii Key Management Personnel
 - a. Mr. Ashok Kumar Goenka
 - b. Mr. Banwari Lal Goenka
 - c. Mr. Rajesh Goenka
 - d. Dr. Subash R. Kamath
 - e. Mr. Raj Kumar Bajoria
 - f. Mr. Ashok Bhat
 - g. Mr. Jagdish Chand Kumbhat
 - h. Mr. Vinod Singhi
 - iii Relatives of Key Management Personnel
 - a. Ashok Kumar Goenka & Others (HUF)

N.G.INDUSTRIES LIMITED

SIGNIFICANT ACCOUNTING POLICES AND NOTES TO ACCOUNTS (Constd.)

- b. Banwari Lal Goenka & Sons (HUF)
c. Rajesh Goenka & Others (HUF)
iv Enterprise owned or significantly influenced by Key Management Personnel and their relatives
b Transactions with related Parties during the year and year end outstanding balances thereof, are as follows :-

| Nature of Transactions | Associate/ Joint Venture Concerns | Key Manage- ment Personnel | Relatives of Key Manage- ment Personnel | Enterprise owned or signifi- cantly influenced by Key Manage- ment Personnel and their relatives | Total |
|--|--|-------------------------------------|--|--|---------|
| i Equity share allotted | - | - | - | - | - |
| ii Investments | - | - | - | - | - |
| iii Loan given | - | - | - | - | - |
| iv Loan received back | - | - | - | - | - |
| v Purchase of shares | - | - | - | - | - |
| vi Managerial remuneration paid | - | 948498 | - | - | 948498 |
| vii Director's fee | - | 20000 | - | - | 20000 |
| viii Rent paid | - | - | 540000 | - | 540000 |
| ix Sales | - | - | - | - | - |
| x Purchase of raw materials | - | - | - | - | - |
| xi Interest income | - | - | - | - | - |
| xii Guarantee commission income | - | - | - | - | - |
| xiii Balance receivable | - | - | - | - | - |
| xiv Loans receivable | - | - | - | - | - |
| xv Balance payable | - | - | - | - | - |
| xvi Personal / corporate guarantees obtained | - | - | - | - | - |
| xvii Corporate guarantee given | - | - | - | - | - |
| xviii Dividend Paid | - | 2829600 | - | - | 2829600 |

Notes:

The above transactions do not include reimbursement of expenses made / received during the year. Previous year's figures have been regrouped / rearranged, wherever necessary.

In terms of our Report of even date

For M.R. Singhwi & Co.

Chartered Accountants

Firm Registration No. 312121E

CA. M.R. Singhwi

(Partner)

Membership No. 050650

Place : Kolkata

Date : 30th day of May, 2011

For and on behalf of the board

ASHOK KUMAR GOENKA

Chairman

RAJESH GOENKA

Director

ASHOK BHAT

Director

N.G.INDUSTRIES LIMITED

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.

21-65937

Balance Sheet Date

31.03.2011

State Code

21

II. Capital Raised during the year (Amount in Rs. 000)

Public Issue

Nil

Right Issue

Nil

Bonus Issue

Nil

Private Placement

Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. 000)

Total Liabilities

122047.70

Total Assets

122047.70

Source of Funds

Paid-up Capital

33505.00

Reserves & Surplus

88542.70

Secured Loans

Nil

Unsecured Loans

Nil

Application of Funds

Goodwill

Nil

Fixed Assets

42654.14

Investments

78616.23

Net Current Assets

(242.49)

Misc. Expenditures

Nil

Accumulated Losses

Nil

Deferred Tax Assets (Net)

1019.82

IV. Performance of the Company (Amount in Rs. 000)

Gross Receipts

118430.72

Total Expenditures

93021.58

Profit before Tax

25409.14

Profit after Tax

18585.81

Earning per share in Rs.

5.55

Dividend Rate %

35%

V. Generic Names of Principal Products / Services of the Company

Product Description

Medical Services

Item code No.

N.A.

N.G.INDUSTRIES LIMITED

Registered Office : 17, CHITTARANJAN AVENUE, KOLKATA - 700072

ATTENDANCE SLIP

to be surrendered at the time of entry

Folio No. / Client ID : No. of Shares.....

Name of Member / Proxy :

I hereby record my presence at the 17th Annual General Meeting of the Company of 24th September, 2011 at 11.00 a.m. at Community Hall, Jay Jayanti Building, 2A Mandeville Gardens, Kolkata - 700 019

Member's / Proxy's Signature

Notes :

1. Members are requested to produce the above attendance slip, duly signed in accordance with their specimen signatures registered with the Company, for admission to the Meeting.
2. Members are informed that no duplicate attendance slips will be issued at the hall.

.....TEAR

N.G.INDUSTRIES LIMITED

Registered Office : 17, CHITTARANJAN AVENUE, KOLKATA - 700072

FORM OF PROXY

I/We ofbeing a Member(s)
of N. G. INDUSTRIES LIMITED, hereby appoint.....of.....
or failing him/herof..... or failing
him/her.....of..... as my/our proxy
to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company
on 24th September, 2011 at 11.00 a.m. at Community Hall, Jay Jayanti Building, 2A Mandeville
Gardens, Kolkata - 700 019 and at any adjournment thereof.

Signed the.....day of..... 2011

Folio No./Client ID :

No. of Shares :

Name :

Address :

Signature

Affix
one rupee
revenue
stamp

Note : The form of Proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the Meeting.