

NECC
Moving You Ahead

 1800 11 7080

50
1968-2018

TAILOR MADE
LOGISTICS FOR
EVERY NEED



**ANNUAL REPORT OF
NORTH EASTERN CARRYING CORPORATION LIMITED
FOR THE FINANCIAL YEAR 2020-21**

North Eastern Carrying Corporation Ltd.

CO: NECC House 9062/47, Ram Bagh Road, Azad Market
Delhi-110 006 (INDIA) T: 011-231716-19 | F: 011-2327700
E: co@neccgroup.com | W: www.neccgroup.com

CONTENTS

| S. No. | Particulars | Page No. |
|---------------|---|-----------------|
| 1. | Corporate Information | |
| 2. | Notice of Meeting | 1-17 |
| 3. | Board's Report along with Annexures | 18-26 |
| 3.1 | "Annexure I" to the Board's Report | 27-29 |
| 3.2 | "Annexure II" to the Board's Report | 30-36 |
| 3.3 | "Annexure III" to the Board's Report | 37-39 |
| 3.4 | "Annexure IV" to the Board's Report | 40-43 |
| 4. | Report on Corporate Governance | 44-66 |
| 5. | Management Discussion & Analysis Report | 67-75 |
| 6. | Financial Statements | 76-104 |

Annual General Meeting : Wednesday, 29th September, 2021

Time : 12.30 P.M.

Venue: The Company is conducting meeting through VC/OAVM pursuant to the General Circular dated May 5, 2020 read with General Circular dated January 13, 2021 (collectively referred to as "MCA Circulars") and thus venue requirements are not applicable for this AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sunil Kumar Jain
Mr. Utkarsh Jain
Mrs. Reena Gupta
Mr. Manoj Kumar Jain
Mr. Mohak Jain
Mr. Utsav Jain

Chairman & Managing Director
Whole-Time Director
Non Executive Director
Non Executive- Independent Director
Non Executive- Independent Director
Non Executive- Independent Director

CHIEF FINANCIAL OFFICER

Mr. Shyam Lal Yadav

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Mamta Bishl

SENIOR MANAGEMENT TEAM

Mr. Ravi Gupta
Mr. Vinod Nair
Mr. D K Singh
Mr. S N Singh
Mr. Prabhajeet Singh

Senior General Manager
Deputy General Manager
Assistant General Manager
Senior Manager - Accounts
Senior Manager - Administration

REGISTERED & CORPORATE OFFICE

9062/47, Ram Bagh Road,
Azad Market, Delhi-110006
Ph: 011-23517516-19, Fax: 011-23527700
Email: cs@necgroup.com
Website: www.necgroup.com

REGISTRAR & SHARE TRANSFER AGENT

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi-110020
Ph- 011-26387281/82/83 Fax-011- 26387384
Email:- info@masserv.com
Website: www.masserv.com

CORPORATE IDENTIFICATION NUMBER (CIN)

LS1909DL1984PLC019485

SHARES LISTED AT

National Stock Exchange of India Limited
BSE Limited

DEPOSITORIES

National Securities Depository Limited
Central Depository Securities Limited

STATUTORY AUDITORS

M/s Raj Achint & Associates, Chartered Accountants

3073, 1st Floor, Near Golcha Cinema,
Darya Ganj, New Delhi-110002
Telefax -011-47751187, Mobile -9810264628
Email: caraj8@gmail.com

SECRETARIAL AUDITOR

A.K. Friends & Co., Practicing Company
Secretaries
E-38, 2nd Floor behind Hira Sweets, Laxmi Nagar, Delhi-
110092
Ph No.- +91-9212000759
Email-ID: akfriends38@yahoo.co.in

BANKERS

Kotak Mahindra Bank
DBS Bank India Limited

CREDIT RATING AGENCY

CRISIL Limited (upto August 19, 2020)
CRISIL House-4th Floor, Central Avenue Road
Hiranandani Business Park, Powai, Mumbai - 400076,
Website: www.crisil.com
Ph. No. 022-40405899, Fax No. 022-40405800

Brickwork Ratings India Pvt Ltd (w.e.f July 24, 2020)
204-205, 2nd Floor, Kanchenjunga Building
18, Barakhamba Road, New Delhi-110001.
Ph:011-23412232, Fax No. :01123413896
Email:info@brickworkratings.com
Website: www.brickworkratings.com

NOTICE
36th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY SIXTH (36th) ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF NORTH EASTERN CARRYING CORPORATION LIMITED (CIN:L51909DL1984PLC019485) WILL BE HELD ON WEDNESDAY, SEPTEMBER 29, 2021 AT 12.30 P.M.(IST) THROUGH VIDEO CONFERENCING /OTHER AUDIO VISUAL MEANS (VC/OAVM) TO TRANSACT THE FOLLOWING BUSINESS(ES):

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Kumar Jain, Chairman & Managing Director (DIN: 00010695), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company and fix their remuneration.

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Nemani Garg Agarwal & Co., Chartered Accountants (Firm Registration No. 010192N), be and is hereby appointed as Statutory Auditor of the Company for the period of 5 years in place of the existing auditor, M/s Raj Achint & Associates, Chartered Accountants (Firm Registration No. 022023N), to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the 41st AGM to be held in year 2026, on such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors".

SPECIAL BUSINESS

4. To consider & approve re-appointment of Mr. Sunil Kumar Jain (DIN: 00010695) as Managing Director of the Company for five consecutive years.

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Sunil Kumar Jain (DIN: 00010695) as Managing Director and Key Managerial Personnel of the Company, liable to retire by rotation, for a period of 5 years, on expiry of his present term of office, i.e. with effect from October 1, 2021, on the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors, together with recommendation of the Nomination and Remuneration Committee, be and is hereby authorized to alter and vary the terms and conditions of the said re-appointment and / or remuneration, as it may deem fit and as accepted by Mr. Sunil Kumar Jain, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider & approve re-appointment of Mr. Utkarsh Jain as Whole Time Director of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Utkarsh Jain (DIN: 05271884) as Whole Time Director of the Company, liable to retire by rotation, for a period of 5 years, on expiry of his present term of office, i.e. with effect from October 1, 2021, on the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors, together with recommendation of the Nomination and Remuneration Committee, be and is hereby authorized to alter and vary the terms and conditions of the said re-appointment and / or remuneration, as it may deem fit and as accepted by Mr. Utkarsh Jain, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To Consider & approve adoption of new set of Memorandum of Association as per Companies Act, 2013.

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 13, 15 and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof, and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee), consent of the members be and is hereby accorded to adopt the new Memorandum of Association in place of the existing Memorandum of Association, copy of which is placed before the meeting.

RESOLVED FURTHER THAT the existing Clause III B containing the “Objects Incidental or Ancillary to the attainment of Main Objects” sub-clause no. 1 to 29 be and is hereby stands deleted and replaced by New Clause III (B) “Matters which are necessary for furtherance of the Objects specified in Clause III(A).

RESOLVED FURTHER THAT the existing Clause III C containing the “Other Objects” sub clause no. 1 to 59 be and is hereby also stands deleted in full.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To Consider & approve adoption of new set of Article of Association as per Companies Act, 2013.

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as "Board" which term shall include any Committee), the consent of the members of the Company be and is hereby accorded to adopt new set of Article of Association as per Companies Act, 2013 in place of existing Articles of Association of the Company as per Companies Act, 1956, copy of which is placed before the meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

- B. To consider & approve increase in the Authorized Share Capital of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013, and the rules issued there under (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, Consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 54,00,00,000 (Rupees Fifty Four Crore Only) divided into 5,40,00,000 (Five Crore Forty Lakhs) Equity Shares having face value of Rs.10/- each to Rs. 1,00,00,00,000 (Rupees One Hundred Crore Only) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10 each by addition of 4,60,00,000 (Four Crore Sixty lakhs) Equity Shares having face value of Rs.10/- each.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To consider & approve Alteration of the Capital Clause of Memorandum of Association of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 64 of the Companies Act, 2013 the existing clause V of the Memorandum of Association is substituted by the following figures and words namely:

V. "The Authorised Share Capital of the Company is Rs. 1,00,00,00,000 (Hundred Crore Only) divided into 10,00,00,000 (Ten Crore) Equity Shares of face value Rs.10/- each."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors, be and is hereby authorised to do all such acts, deeds, steps and actions including delegation of any of its powers herein conferred to any of its Directors and / or Company Secretary."

**By Order of the Board of Director of
North Eastern Carrying Corporation Limited**

**Place: Delhi
Date: September 04, 2021**

**Sd/-
(Sunil Kumar Jain)
Chairman and Managing Director
DIN: 00010695**

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country. Accordingly, the Ministry of Corporate Affairs ("MCA") vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/ 2020 dated April 13, 2020, followed by General Circular No. 20/2020 dated May 5, 2020 read with General Circular No.02/2021 dated January 13, 2021 [collectively referred to as "MCA Circulars") and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"], the 36th AGM of the Company is being conducted through VC/OAVM Facility, without physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. In terms of the MCA Circulars, physical attendance of Members at the AGM and appointment of proxies has been dispensed with. Accordingly, the Attendance Slip, Proxy Form and Route Map are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of casting vote through remote e-Voting prior to the AGM, participation in the 36th AGM through VC/OAVM Facility and for electronic voting during the AGM.
3. Attendance of the Members participating in the 36thAGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. In line with the MCA Circulars and SEBI Circular referred above, the Notice of the 36thAGM along with Annual Report is being sent by e-mail to all members, whose e-mail IDs are registered with the Company. The said documents are available on the website of the Company at www.neccgroup.com and on the website of National Stock Exchange of India Limited at www.nseindia.com and BSE Limited at www.bseindia.com and also on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com.

The Company had published advertisements in newspapers to encourage shareholders, holding shares in physical and electronic form, to register/update their email IDs for receiving the Annual Report for the financial year 2020-21.

Those shareholders who have still not been able to update their e-mail IDs, may follow the process below for registration of e-mail IDs and procuring User IDs & Password for e-voting, on the resolutions set out in this Notice:-

- In case shares are held in Demat mode, please send an e-mail to cs@neccgroup.com quoting DP ID Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID), Name of holder(s), scanned copy of client master list/demat account statement, PAN Card and Aadhaar Card.
- In case shares are held in physical mode, please send an e-mail to cs@neccgroup.com quoting Folio No., Name, scanned copy of Share certificate (front & back), PAN Card and Aadhaar Card.

- Members of the Company including Institutional Investors are encouraged to attend the AGM and vote on items to be transacted at the AGM. Corporate Members are requested to send a certified copy of the Board resolution / authorization letter to the Company through e-mail at cs@neccgroup.com.

The Company has fixed **Wednesday, September 22, 2021** as the Cut-off date for determining the eligibility to vote in respect of items of business to be transacted at the 36thAGM.

Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and is holding shares as on the cut-off date, may obtain the login ID and password by sending a request at www.evotingindia.com. However, if he / she is already registered with National Securities Depository Limited (NSDL) for remote e-voting, then he / she can use his / her Existing user ID and password for casting the vote. Any shareholder who disposes off his shareholding such that he/she is not a member as on the cut-off date should treat this Notice for information purposes only.

Further, the Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 23, 2021 to Wednesday, September 29, 2021 (both days inclusive)**.

- Mr. Ashish Kumar Friends, M/s A.K. Friends & Co.,** Practicing Company Secretaries, New Delhi has been appointed as the Scrutinizer to scrutinize the votes cast by the shareholders in respect of items of business to be transacted at the 36thAGM, in a fair and transparent manner.
- In compliance with provisions of MCA Circulars and SEBI Circular referred above, Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by ICSI, the Company is offering e-voting facility to the shareholders to enable them to cast their votes electronically on the items mentioned in the Notice. Those Shareholders who do not opt to cast their vote through remote e-voting may cast their vote through electronic voting system during the AGM.

NSDL will be providing facility for remote e-voting, participation in the 36thAGM through VC/OAVM and voting during the 36thAGM through electronic voting system. The remote e-voting period begins on **Sunday, September 26, 2021 (9.00 A.M.)** and ends on **Tuesday, September 28, 2021 (5.00 P.M.)**. The remote e-voting module shall be disabled by National Securities Depository Limited (NSDL) for voting thereafter. Please refer to detailed instructions for remote e-voting attending the 36thAGM through VC/OAVM and electronic voting during the AGM, annexed to this Notice.

- The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 4 to 9 of the Notice is annexed hereto. The relevant details, pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at the AGM is provided as annexure to the Notice. Requisite declarations have been received from Director/s for seeking appointment/re-appointment.
- SEBI encourages all shareholders to hold their shares in dematerialized form as this eliminates the possibility of damage/loss of physical share certificate(s) & cases of forgery and facilitates the ease and convenience of paperless trading of shares. Further, no stamp duty is payable on transfer of shares held in Demat form. It is also pertinent to mention that with effect from April 1, 2019, SEBI has prescribed that requests for effecting transfer of securities (except transmission or transposition cases) shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, we request you to convert your shareholdings from physical form to demat form at the earliest, in existing demat account or new demat account to be opened with any Depository Participant (DP).
- Members who hold shares in physical form are requested to send all correspondence concerning transmission, transposition, sub-division, consolidation of shares or any other related matter and/or change in address or bank account, to R&TA of the Company and in case of shares held in electronic mode, to their respective Depository Participants.
- Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to the R&TA of the Company in Form SH-13 as prescribed in the Companies (Share Capital and Debentures) Rules,

2014. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective DP.
12. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice, will be available for inspection through electronic mode, without any fee, by the members from the date of circulation of this Notice, up to the date of AGM i.e. September 29, 2021. Members desiring for inspection of said documents are requested to send an e-mail to the Company at cs@neccgroup.com.
 13. Members desirous of getting any information on any item(s) of business of this meeting are requested to send an e-mail mentioning their name, demat account number/folio number, email id, mobile number to cs@neccgroup.com at least seven days prior to the date of the AGM and the same will be replied by the Company suitably.
 14. The Scrutinizer shall, after the conclusion of the electronic voting during the AGM, assess the votes cast at the meeting through electronic voting system, thereafter unblock the votes cast through remote e-voting and make a consolidated Scrutinizer's Report and submit the same to the Chairman of the Meeting.
 15. The results of the voting indicating the number of votes cast in favour or against each of the Resolution(s), invalid votes and whether the Resolution(s) have been carried out or not, together with the Scrutinizer's Report, will be uploaded on the website of the Company (www.neccgroup.com) and on National Securities Depository Limited (NSDL) website www.evoting.nsdl.com and will also be submitted to BSE Limited and National Stock Exchange of India Limited within the prescribed time. Further, the Resolution(s), if passed by requisite majority, shall be deemed to be passed on the date of 36th AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, September 26, 2021 at 09:00 A.M. and ends on Tuesday, September 28, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 22, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 22, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" |

| | |
|---|--|
| | <p>icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none">2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders holding securities in demat mode with CDSL. | <ol style="list-style-type: none">1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi.2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |

| | |
|--|--|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
|--|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to akfriends38@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no: 1800 1020 990 and 1800 22 44 30 or at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@masserv.com.
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@necgroup.com. The same will be replied by the company suitably.

**By Order of the Board of Director of
North Eastern Carrying Corporation Limited**

**Place: Delhi
Date: September 04, 2021**

**Sd/-
(Sunil Kumar Jain)
Chairman and Managing Director
DIN: 00010695**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THIS SPECIAL BUSINESS SET OUT IN THE NOTICE.

ITEM NO.4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on September 04, 2021, subject to the approval of Members of the Company has reappointed Mr. Sunil Kumar Jain, aged 59 years, as Managing Director of the Company, liable to retire by rotation, for a term of 5 years with effect from October 1, 2021 on the following terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board:

- a. Consolidated Annual Salary, perquisites, Performance Bonus etc. not exceeding the limits specified under Schedule V of the Companies Act, 2013. The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
- b. Expenses incurred for travelling, boarding and lodging including during business trips and provision of car(s) for use on Company's business and communication expenses at residence along with free mobile phone facility, long Distance personal Calls shall be reimbursed at actual and not considered as perquisites.

Mr. Sunil Kumar Jain satisfies all the conditions set out in Part-I of Schedule V and Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified to be a Director of the Company in terms of provisions of Section 164 of the Companies Act, 2013

Further, the brief resume of Mr. Sunil Kumar Jain giving the nature of his expertise in specific functional area, remuneration paid, number of meeting attended during the year etc. forms part of this Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Sunil Kumar Jain and Mr. Utkarsh Jain is in any way, concerned or interested, financially or otherwise, in passing of the said Resolution.

In compliance with the provisions of Sections 196 and 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms of re-appointment and remuneration of Mr. Sunil Kumar Jain as specified above, are now placed before the Members for their approval.

In view of the above, the Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the members

ITEM NO. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on September 04, 2021, subject to the approval of Members of the Company has reappointed Mr. Utkarsh Jain, aged 27 years, as Whole Time Director of the Company, liable to retire by rotation, for the term of 5 years with effect from October 1, 2021 on the following terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board:

- a. Consolidated Annual Salary, perquisites, Performance Bonus etc. not exceeding the limits specified under Schedule V of the Companies Act, 2013. The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
- b. Expenses incurred for travelling, boarding and lodging including during business trips and provision of car(s) for use on Company's business and communication expenses at residence along with free mobile phone facility, long Distance personal Calls shall be reimbursed at actual and not considered as perquisites.

Mr. Utkarsh Jain satisfies all the conditions set out in Part-I of Schedule V and Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified to be a Director of the Company in terms of provisions of Section 164 of the Companies Act, 2013

Further, the brief resume of Mr. Utkarsh Jain giving the nature of his expertise in specific functional area, remuneration paid, number of meeting attended during the year etc. forms part of this Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Utkarsh Jain and Mr. Sunil Kumar Jain is in any way, concerned or interested, financially or otherwise, in passing of the said Resolution.

In compliance with the provisions of Sections 196 and 197 and other applicable provisions of the Act, read with Schedule V of the Act, the terms of re-appointment and remuneration of Mr. Utkarsh Jain as specified above, are now placed before the Members for their approval.

In view of the above, the Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

ITEM NO: 6

The object clause (Clause III) of the Memorandum of Association ("MOA") of the Company, as presently in force, is based on the erstwhile Companies Act, 1956. According to the Companies Act, 2013, the companies are required to have only "the objects to be pursued by the company and matters which are necessary for furtherance of the objects specified". Further in terms of provisions of the Companies Act, 2013, MOA shall not consist of other object clause. Therefore, it is considered expedient to replace the existing MOA by a new set MOA to incorporate the aforesaid object clause as per the Companies Act, 2013. The new set of MOA to be substituted in place of the existing MOA are in the format prescribed under 'Table A' of the Act which sets out the model MOA for a Company limited by shares.

Copy of the draft Memorandum of Association of the Company would be available for inspection by the members at the Registered Office/Corporate Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice except to the extent of their shareholding, if any.

ITEM NO: 7

The Articles of Association ("AOA") of the Company as presently in force are based on the erstwhile Companies Act, 1956 and several regulations in the existing AOA are no longer in conformity with the Companies Act, 2013.

Further several regulations / articles of the existing AOA of the Company require alteration or deletion pursuant to changes in applicable laws. Therefore, it is considered expedient to wholly replace the existing AOA by a new set of Articles. The new set of AOA to be substituted in place of the existing AOA.

Copy of the draft Articles of Association of the Company would be available for inspection by the members at the Registered Office/ Corporate Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice except to the extent of their shareholding, if any.

ITEM NO :8 & 9

Considering the overall business growth and future expansion and the operational needs of the Company, the Company needs to raise funds for its operations by means of equity. While the Company is considering the various options, it is proposed to increase the Authorised Share Capital as per applicable provisions of the Companies Act, 2013 and its corresponding rules, amendments thereof.

Section 61 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force) provides that a limited company having a share capital may, if so authorized by its Articles of Association, with the consent of its members in its general meeting or through Postal ballot, alter the conditions of its Memorandum of Association so as to increase its share capital by such amount as it thinks expedient.

Articles of Association empowers the Company to increase, consolidate, subdivide, reduce or otherwise alter its Authorise Share Capital, for the time being, and to divide the shares in the capital into several classes with rights, privileges or conditions, as may be determined.

It is proposed to increase the Authorised Share Capital of the Company from Rs. 54,00,00,000 (Rupees Fifty-Four Crore Only) divided into 5,40,00,000 (Five Crore Forty Lakhs) Equity Shares having face value of Rs.10/- each to Rs. 1,00,00,00,000 (Hundred Crore Only) divided into 10,00,00,000 (Ten Crore) equity shares of Rs. 10 each by addition of 4,60,00,000 (Four Crore Sixty lakhs) Equity Shares having face value of Rs.10/- each.

Consequently, the existing clause V of the Memorandum of Association of the Company needs to be altered accordingly for deletion of the previous authorised share capital and substitution of the proposed increased Authorised Share Capital.

The above-mentioned increase in the Authorised Share Capital of the Company and subsequent alteration of aforesaid clause of Memorandum of Association will require approval of the Members. The Board of Directors recommends the resolutions at item nos. 6 & 7 to be passed as Ordinary Resolution(s).

It is requested to note that the draft of the Altered Memorandum of Association of the Company shall be open for inspection of the members at the Registered Office of the Company during 11:00 AM (IST) to 5:00 PM (IST) on all working days from the date of dispatch of the Notice till the last date for voting.

None of the Directors/Key Managerial Personnel and their relatives is concerned or interested in the passing of the aforesaid resolution(s) as mentioned at item nos. 8 & 9 above, except to the extent of their shareholding, if any

ATTACHMENT TO THE EXPLANATORY STATEMENT FOR ITEM NO 4 & 5

The following information is furnished pursuant to the provisions of Schedule V to the Companies Act, 2013:

I. General Information

1. Nature of Industry: Logistics/Transportation

2. Date or expected date of Commencement of Commercial Production:

The Company was incorporated in the year 1984 and since the Company is into the service sector, hence there is no date of commercial production.

3. Financial Performance of the Company:

(Rs. In Lakhs)

| Particulars | 2020-2021 | 2019-2020 |
|--|---------------|---------------|
| Revenue from operations | 230,58,64,426 | 376,29,94,178 |
| Profit / (Loss) before exceptional items and Tax | 1,18,14,143 | 8,75,55,854 |
| Profit/(Loss) before Tax | 1,18,14,143 | 8,75,55,854 |
| Profit/(Loss) After Tax | 1,43,01,214 | 6,38,95,681 |

4. Foreign Earnings, Investments or Collaborations: The Company has not made any foreign investments and neither entered into any foreign collaborations.

II. Other Information:

1. Reasons of loss or inadequate profits

Due to sudden outbreak of Covid 19 Pandemic which also turned out to be an unmatched socio-economic crisis leading to disruptions across the world. Our Business is also significantly affected during the year.

2. Steps taken or proposed to be taken for improvement

The Company has initiated various steps to improve its operational performance/liquidity, including lowering its operating cost. Various realignment initiatives ensured reduced debt burden on the Company resulting in overall reduction in finance cost.

3. Expected Increase in productivity and profits in measurable terms

The management has adopted focused and aggressive business strategies in all spheres of functions to improve the profitability of the Company. Considering the present business scenario, the Company is expecting to increase in revenue and profitability. The Management is confident of keeping a higher growth ratio in the period to come.

III. Disclosures

The details of remunerations and other information are given in the Corporate Governance part of the Directors' Report.

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting, pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements), 2015

| S.No. | Particulars | Mr. Sunil Kumar Jain | Mr. Utkarsh Jain |
|-------|--|---|---|
| 1. | DIN | 00010695 | 05271884 |
| 2. | Age | 59 | 27 |
| 3. | Qualification | Bachelor of Commerce from University of Delhi. | BSc (Hons) in Management Studies from the University of Nottingham, United Kingdom, IIM Ahmedabad Alumni. |
| 4. | Background details/Nature of Expertise | He joined his family business in 1980 at an early age of 18 years. Since 1999-2000 he leads the Company in all sectors vide operation, marketing and finance and had implemented new technologies vide computerization of head office, regional | He has joined the Management of the Company as Whole Time Director to share hands with his father in the legacy of the family business. Like his father he is giving new shape to the business with his innovative and fresh ideas to enhance |

| | | | |
|-----|--|--|--|
| | | offices and major branches in 2003. He equipped the vehicles with GPRS system. He enhances the effectiveness of group meetings by sharing his expertise on issues or questions that arise. He has used his technical knowledge to generate numerous improvements in procedures, and operations and applied his expertise to the various Consignments relating to transport, logistics and contributed directly to the project's success. | business. He is involved in getting major assignments for the Company. |
| 5. | Date of first appointment on the Board | 10/10/1994 | 16/12/2013 |
| 6. | Past Remuneration | Rs.48,00,000/- (Rupees Forty Eight Lakhs only) per annum | Rs.12,00,000/- (Rupees Twelve Lakhs only) per annum |
| 7. | Recognition or Awards | As a result of his effort North Eastern Carrying Corporation Limited has been awarded for good business performance by "Inc. India 500" for a continuous period of Two years i.e. 2011-12 & 2012-13 & Parivahan Shresth Award for his regular contribution to the Indian Economy & Transport sector. | Not applicable |
| 8. | Job Profile and his suitability | He is responsible for overall day to day management of the Company under the supervision and control of the Board of Directors of the Company | He is responsible to look after the overall operations and Marketing of the Company under the supervision and control of the Board of Directors of the Company |
| 9. | Remuneration proposed | The proposed remuneration would remain same as that of existing remuneration which is within the applicable Statutory requirements under Companies Act, 2013. | |
| 10. | Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person | Considering the responsibility shouldered by them of the enhanced business activities of the Company, proposed remuneration is Commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses | |
| 11. | Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any | Mr. Sunil Kumar Jain is one of the Promoter and Shareholder of the Company. | Mr. Utkarsh Jain is the Promoter and Shareholder of the Company and son of Mr. Sunil Kumar Jain, Managing Director of the Company. |
| 12. | Directorship held in other Companies | <ol style="list-style-type: none"> 1. N E C C LOGISTICS LIMITED 2. GAURANG DEVELOPERS PRIVATE LIMITED 3. SUPER REALCON PRIVATE LIMITED 4. SHREYANS LOGISTICS PRIVATE LIMITED. 5. SUVI DEVELOPERS PRIVATE LIMITED 6. N E C C AUTOMOBILES PRIVATE LIMITED 7. N E C C SECURITIES PRIVATE LIMITED 8. INDIKA AGRO PRODUCTS PRIVATE LIMITED 9. SHUBHI AGENCIES PRIVATE LIMITED 10. N.E.C.C. FINANCIAL SERVICES PRIVATE LIMITED | <ol style="list-style-type: none"> 1. GAURANG DEVELOPERS PRIVATE LIMITED 2. SUPER REALCON PRIVATE LIMITED 3. SHREYANS BUILDTECH PRIVATE LIMITED 4. SHREYANS LOGISTICS PRIVATE LIMITED 5. N E C C LOGISTICS LIMITED 6. SUVI DEVELOPERS PRIVATE LIMITED 7. N E C C AUTOMOBILES PRIVATE LIMITED 8. SHREYANS BUILDWELL PRIVATE LIMITED 9. N E C C SECURITIES PRIVATE LIMITED 10. INDIKA AGRO PRODUCTS PRIVATE LIMITED 11. SHUBHI AGENCIES PRIVATE LIMITED |
| 13. | Memberships/Chairmanships of committees of other companies | Nil | Nil |
| 14. | Number of Board Meetings attended during the year. | Ten. Details of the same form part of the Corporate Governance Report. | Ten. Details of the same form part of the Corporate Governance Report. |

Details of Statutory Auditor seeking appointment / re-appointment at the forthcoming Annual General Meeting, pursuant to Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements), 2015

| S.No | Particulars | |
|------|--|--|
| 1. | Name of the Statutory Auditor proposed to be appointed | M/s Nemani Garg Agarwal & Co, Chartered Accountants |
| 2. | Basis of Recommendation/ Areas of Expertise | It is a leading Chartered Accountancy Firm rendering comprehensive professional services which include Audit, Management Consultancy, Tax Consultancy, Accounting Services, Manpower Management, Secretarial Services etc. |
| 3. | Terms of Appointment | Statutory Auditors will be appointed for a term of 5 years from the conclusion of this Annual General Meeting. |
| 4. | Proposed fees payable | Same as that of the Outgoing auditor. |
| 5. | Any material change in the fee payable to new auditor from that paid to the outgoing auditor | No |

Date: September 04, 2021
Place: Delhi

On Behalf of the Board of Director of
North Eastern Carrying Corporation Limited
Sd/-
Sunil Kumar Jain
(Chairman and Managing Director)
DIN: 00010695

BOARD'S REPORT

To
The Shareholders,
North Eastern Carrying Corporation Limited

Your Board of Directors has immense pleasure in presenting the Thirty Sixth (36th) Annual Report together with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2021.

1. PERFORMANCE HIGHLIGHTS

1.1 The highlights of performance of the Company for the financial year 2020-21 were as under with comparative position of previous year's performance:

| Particulars | (Rs. in Lakhs except EPS) | | |
|----------------------------|---------------------------|----------------|-------------------|
| | 2020-21 | 2019-20 | (% Growth) |
| Revenue from Operations | 23058.64 | 37629.94 | (38.72) |
| Profit before Tax | 118.14 | 875.55 | (86.51) |
| Tax Expenses | 24.87 | 236.60 | (89.49) |
| Net Profit for the year | 143.01 | 638.96 | (77.62) |
| Total Comprehensive Income | 143.01 | 638.96 | (77.62) |
| Earning per Share(EPS) | 0.28 | 0.90 | (68.89) |

1.2 FINANCIAL PERFORMANCE

During the year, the revenue from operations has been decreased to Rs. 23058.64 Lakhs as against Rs. 37629.94 Lakhs in the previous financial year 2019-20 registering a loss of 38.72%. Our Net profits has decreased to Rs. 143.01 Lakhs for the current financial year 2020-21 as against Rs. 638.96 Lakhs in the previous financial year 2019-20, recording an decrease of 77.62 %.

1.3 STATE OF THE COMPANY'S AFFAIRS

The operational highlights of the Company during the year are as follows:-

- During the year, your Company has received a work order worth of Rs. 350 crore approx. from **TATA STEELS LIMITED** for transportation of their raw materials and mining products from Joda/ Noma Mandi. The work order is received for further 3 years from September, 2020 to August, 2023. We have successfully completed the work order worth of Rs.356 Crores approx. from **TATA STEELS LIMITED** for transportation of their raw materials and mining products from its Sukinda mines situated in Odisha. We have completed the said work order in the month of August, 2020.
- Partial truck load Sundry Movement has increased from 48.32 % in the previous year 2019-20 to 58.17 % in the current year 2020-21.
- Full truck load has decreased from 51.68% in the previous FY 2019-20 to 41.83% in the current FY 2020-21.
- The Company is looking to expand its existing 1.5 mn. sq.ft warehousing capabilities over the next years across 50 major Indian cities with its Asset Light approach which includes owned and leased under management. The Warehousing and distribution segment is to be headed by Mr. Utkarsh Jain.
- Continued focus on improving profitability by moving away from non profitable clients
- Top 5 customers contributed 34% of total revenues in FY 2020-21 as compared to 47% in FY 2019-20,
- Rating of Brickwork Ratings BBB- stable on our long-term debt and A3 on short Term Loan.

2. DIVIDEND

Your Company needs Capital for its expansion plans, therefore the Board of Director has decided to invest the profit into the operations of the Company. Hence, no dividend is recommended for the financial year ended 31st March, 2021.

3. SHARE CAPITAL

As on March 31, 2021, the Authorized Share Capital of the Company was Rs.5400.00 Lakhs consisting of 5,40,00,000 equity shares of Rs.10/- each and the issued & paid up share capital of the Company was Rs.5019.73 Lakhs consisting of 5,01,97,336 equity shares of Rs.10/- each.

4. TRANSFER TO RESERVES

The Company doesn't propose to transfer any amount to General Reserve during the financial year 2020-21.

5. ANNUAL RETURN

In accordance with Section 92(3) of the Act, the annual return is available on the Company's website at www.necgroup.com.

6. CORPORATE GOVERNANCE

We, at NECC, believe that good and effective Corporate Governance is critical to achieve corporate vision and mission of the organization; it is more of an organizational culture than a mere adherence to rules and regulations. Your Company has established and maintained a strong ethical environment, overseen by Board of Directors, where 3 out of 6 Directors are Independent. The Company's practices and policies reflect the true spirit of Corporate Governance initiatives.

Your Company is in compliance of all mandatory requirements of Corporate Governance as stipulated as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a Report on Corporate Governance along with Compliance Certificate issued by the Statutory Auditors of the Company is attached and forms integral part of this Report (herein referred to Corporate Governance Report").

7. BOARD & COMMITTEES OF BOARD

The details of the composition, terms of reference and number of meetings of the Board and its Committee held during the financial year 2020-21 are provided in the Corporate Governance Report.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As per the provisions of Section 152 of the Companies Act, 2013 and in Articles of Association of the Company, Mr. Sunil Kumar Jain (DIN: 00010695), shall retire by rotation in the ensuing 36th Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors hereby confirms and represent that none of the Directors of the Company are disqualified from being appointed as Director pursuant to Section 164 of the Companies Act, 2013. Mr. Manoj Kumar Jain, Mr. Mohak Jain and Mr. Utsav Jain, Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and in Listing Regulations.

Brief particulars and expertise of director seeking reappointment together with their other directorships and committee memberships have been given in the annexure to the Notice of the Annual General Meeting in accordance with the requirements of the Listing Regulations and applicable Secretarial Standards.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company as on date of this report:

1. Mr. Sunil Kumar Jain, Chairman & Managing Director



2. Mr. Utkarsh Jain, Whole-Time Director
3. Mr. Shyam Lal Yadav, Chief Financial Officer
4. Ms. Mamta Bisht, Company Secretary & Compliance Officer.

9. DIRECTORS' RESPONSIBILITY STATEMENT

With reference to Section 134(5) of the Companies Act, 2013, your Directors hereby confirmed that:-

- i. In the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- ii. such accounting policies have been selected and applied consistently (except for changes in the Accounting Policies as disclosed in the Notes to Accounts to the Financial Statements) and judgments and estimates made 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 2020-21 and of the profit and Loss of the Company for the that period;
- iii. proper and sufficient care is taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.
- v. Internal financial controls have been laid down to be followed by the Company and such internal financial controls were adequate and operating effectively; and
- vi. the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such systems were adequate and are operating effectively.

10. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

M/s Raj Achint & Associates, Chartered Accountants, the Statutory Auditors of the Company, has audited the financial statements included in the Annual Report and has issued an attestation report on our internal control over financial reporting (as defined in Section 143 of Companies Act 2013).

11. AUDITORS

STATUTORY AUDITORS

M/s Nemani Garg Agarwal & Co., Chartered Accountants (Firm Registration No. 010192N) has been appointed as the Statutory Auditor of the Company for the period of 5 years in place of the existing auditor, M/s Raj Achint & Associates, Chartered Accountants (Firm Registration No. 022023N), to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the 41st AGM to be held in year 2026. The Auditors have confirmed that they are not disqualified from appointing as Auditors of the Company.

During the year under review, the Statutory Auditors have not reported any frauds under Section 143(12) of the Companies Act 2013.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Ashish Kumar Friends & Co., Practicing Company Secretaries (COP No.4056), New Delhi to undertake the Secretarial Audit of the Company for the year ended March 31, 2021. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed to this report as **Annexure III**.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2021 do not contain any qualification, reservation, adverse remark or disclaimer.

INTERNAL AUDIT

Pursuant to Section 138 of the Act & rules made thereunder, Ms. Shikha Sharma, Graduate in Commerce in whole time employment of the Company, acts as Internal Auditor of the Company in place of Ms. Anita who has resigned from the post of Internal Auditor w.e.f 30.06.2021. She has conducted an Internal Audit of the functions and activities of the Company.

12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY COMPANY

Pursuant to Section 186 of the Act and Schedule V of the SEBI Listing Regulations, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Section 188 of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014 and Regulation 23 of the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

The Particulars of contract or arrangement entered into by the Company with related parties as per the provisions of Section 188 of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014 are disclosed in Form AOC-2, in **Annexure I** is annexed to this report.

The Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website at website link:

<http://www.necgroup.com/wp-content/uploads/2016/03/Policy-on-Related-Party-Transaction-NECC.pdf>

14. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

There are no significant particulars relating to Conservation of Energy, technology absorption under Rule 8(3) of Companies (Accounts) Rules, 2014 since your Company is not engaged in any manufacturing activity. No agreement has been entered into for Technology absorption. However, the Company has made intensive use of technology in its operation during the year under review.

15. PARTICULARS REGARDING EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS & OUTGO

The Company has not incurred any expenditure on Research & Development during the financial year 2020-21. Further, the Company has no earning or outgo in Foreign exchange as per Rule 8(3) of Companies (Accounts) Rules, 2014.

16. RISK MANAGEMENT

Risk Management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks.

Although not mandatory as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as a measure of good governance, the Company has constituted a Risk Management Committee of the Board. The Committee reviews the Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect the Company's overall risk exposure and reviews the Risk Management Policy and structure.



The Company has a Risk Management Policy which outlines the manner in which the Company identifies, assesses, monitors and manages risk. As the Company belongs to transportation and Logistics Industry and in the opinion of the Board, the following are the risks which would threaten the existence of the Company:

- Material Handling
- Motor Vehicle Accidents
- Slips, Trips, And Falls
- Competition
- Medical Management

To recover the above-mentioned risks, the Company has adopted Risk Management Strategy which comprising of following stages:

- Risk identification
- Risk analysis
- Risk evaluation
- Risk treatment
- Risk monitoring and review

The Policy and Strategy is duly implemented and monitored in the Company. The Company has identified various risks and has taken various steps to mitigate them. The "Risk Management Policy" is available on the website of the Company at website link

<http://neccgroup.com/wp-content/uploads/2015/02/Risk-managment-Policy.pdf>

17. CORPORATE SOCIAL RESPONSIBILITY

The "Corporate Social Responsibility Policy" prepared in the line with the provisions of Section 135 of the Companies Act, 2013 and Rules made there under, The Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Schedule VII of the Companies Act, 2013 including any statutory modification or amendment thereto was approved by the Board of Directors of the Company. The "Corporate Social Responsibility Policy" is available on the website of the Company at website link <http://neccgroup.com/wp-content/uploads/2015/02/CSR-Policy.pdf>

During the Financial Year 2020-21, the Corporate Social Responsibility initiatives of the Company were continued with a view to integrated NECC's business operations with social processes while recognizing the interests of its Stakeholders. While identifying such initiatives the Company has adopted an integrated approach to address the Community, societal and environmental concerns. During the year, the Company has undertaken various CSR activities in the fields of skill development programmes, education, social welfare, upliftment & empowerment of the neglected and under-privileged sections of the society financially support by sponsoring the Teacher's Salary on monthly basis of "Unnati", NGO project and also contributed to the Bharat Lok Shiksha Parishad (Affiliated with EKAL ABHIYAN TRUST) for the education and betterment of Underprivileged Children.

During the financial year 2020-21, your Company has spent a total expenditure of Rs. 229,500/- (Rupees Two lakh Twenty Nine Thousand Five Hundred Only) towards CSR Activities. The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years was Rs. 72,992,890.67/-It was hence required to spend Rs. 1,459,857.81/- on CSR activities during the Financial Year 2020-21, being 2% of the average net profits of the three immediately preceding financial years but due to the outbreak of the Covid 19 and paucity of time, the Company has spent on the CSR activities less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

In terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on Corporate Social Responsibility activities is annexed to this Report as **Annexure II**.

18. EVALUATION OF BOARD OF DIRECTORS/INDEPENDENT DIRECTORS

During the year, the Board has carried out an Annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The Chairman of the Committee also had interactions with each of the Directors and sought their feedback and suggestions on the overall Board Effectiveness and Directors performance.

A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared based on the Guidance note issued by SEBI vide circular no, CMD/CIR/P/2017/004 dated 05.01.2017 and MCA vide Notification dated July 5, 2017 also prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism, prescribed in Schedule IV of the Companies Act, 2013,

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as guidance/support to management outside Board/ Committee meetings, degree of fulfillment of key responsibilities, effectiveness of meetings etc.

In addition, pursuant to the provisions of Schedule IV to the Companies Act, 2013 the Independent Directors reviewed the performance of the Non-Independent Directors and of the Board as a whole, performance of the Chairman of the Board taking into account the views of all the Directors, and the quality, quantity and timeliness of flow of information between the Company management and the Board and its sufficiency for the Board to effectively perform its duties.

19. SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

There is no Subsidiary, Joint Ventures and Associate Companies during the Financial Year 2020-21.

20. PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report as **Annexure IV**. None of the employees listed in the said Annexure is related to any Director of the Company.

21. HUMAN RESOURCE MANAGEMENT

The COVID pandemic has changed the focus of employee experience to sustaining the performance and engagement of a distributed workforce where some employees work fully remote or partially remote and others at the workplace

Your Company has 250+ branches across PAN INDIA, NEPAL and operational set ups into BHUTAN and BANGLADESH and the total Manpower of the Company as on March 31, 2021 was 485 employees which include Executives and Non-Executives. In order to increase the professional culture in the Company, 76 employees were appointed through Interview and written test during the year.

• TRAINING AND HUMAN RESOURCE DEVELOPMENT

As a measure of capacity building including up-gradation of employees' skill and to ensure high delivery of performance, training and HRD continued to receive priority during the financial year.

Training and Human Resource policy of the Company aims and sharpening business skills and competence required for better employee performance and provides all possible opportunities and support to the employees to improve their performance and productivity. Training was also



provided to promote better understanding of professional requirements as well as to aware employees towards socio-economic environment in which business of the Company is carried out.

Due to the outbreak of Covid 19, No Skill development programs were conducted for the employees during the year.

• **REPRESENTATION OF WOMEN EMPLOYEES**

As on March 31, 2021, the Company has 10 women employees, which represent 2% of the total work force. There is no discrimination of employees on the basis of gender. An internal compliant committee has been constituted to look after the welfare and provide protection against sexual harassment of women at workplace.

• **AWARDS AND RECOGNITION TO EMPLOYEES**

Employees' management is the backbone of your Company and it is regarded as one of the important resources for the success of NECC. Over the years, your Company has strengthened its HR processes to ensure continual development and growth of its employees. In order to build the right organizational culture, the Company distributes various awards and recognition in terms of their performance, capabilities, communication skills, coordination etc. on quarterly or half yearly basis. Though NECC is an equal opportunity employer, special focus is given to employees for enhance their diversity and knowledge.

22. **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, every employer of a workplace shall constitute an "Internal Compliant Committee" for redressal of complaint(s) against sexual harassment of women employees. Your Company has about 10 women employees in various cadres including Permanent, contractual, temporary and trainees. The Internal Compliant Committee aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

There was no complaint received from any employee during the financial year 2020-21 and hence no complaint is outstanding as on March 31, 2021 for redressal.

23. **STATUTORY DISCLOSURES**

1. There was no change in the nature of business of the Company during the financial year 2020-21.
2. The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 during the financial year 2020-21.
3. No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
4. The Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. For more details, please refer to the "Management Discussion and Analysis" annexed to this report.
5. There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year i.e. March 31, 2021 and the date of this Report.
6. The Company has not issued any Stock options to the Directors' or any employee of the Company.
7. Information on composition, terms of reference and number of meetings of the Board & its Committees held during the year, establishment of vigil mechanism/whistle blower policy and web-links for familiarization/training policy of Directors, Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions and Policy for

determining Material Subsidiaries, Compensation to Key Managerial Personnel, Sitting fees to Independent Directors, etc. have been provided in the Report on Corporate Governance, prepared in compliance of provisions of SEBI (LODR) Regulations, 2015, as amended from time to time, which forms part of the Annual Report.

8. No new Independent Directors were appointed on the Board of Directors of the Company during the financial year 2020-21, requiring disclosure to be made under Rule 8(5)(iiiia) of the Companies (Accounts) Rules, 2014.
9. The Company is compliant with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
10. During the year under review, the statutory auditors / secretarial auditors have not reported to the Audit Committee, any instances of fraud committed against the Company by its officers or employees.

24. MATERIAL CHANGES AFFECTING THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report. However, COVID-19 pandemic driven situation has created disruptions in the business operations of the Company.

In view of lockdown announced by the Government from 20th April, 2021 to control the spread of COVID-19, the Company's operations were temporary disrupted. The Company resumed most of the operations in warehousing & distribution and transportation of essential and non - essentials goods during the lockdown period, in a phased manner though with a reduced capacity.

As of now, medium to long term impact of COVID-19 pandemic is not ascertainable.

25. MAINTENANCE OF COST RECORDS

The Central Government has not prescribed the maintenance of cost records for the products/services of the Company under Companies (Cost Records and Audit) Rules, 2014, read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, Cost Accounts and Records are not required to be maintained by the Company

26. POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies.

All our corporate governance policies are available on our website i.e. www.necgroup.com

27. STATUTORY AND OTHER INFORMATION REQUIREMENTS

Information required to be furnished as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable statutory provisions is annexed to this report as under:

| Particulars | Annexure |
|--|-----------------|
| Particulars of Contracts or Arrangement with Related Parties | I |
| Annual Report on CSR Activities | II |
| Secretarial Audit Report issued by the Secretarial Auditor of the Company | III |
| Particulars of Employees and Remuneration as per Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. | IV |

28. 'THINK GREEN, GO GREEN' INITIATIVE

The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report and other documents through electronic means to its members at their registered email addresses. As a responsible Corporate Citizen, the Company has actively supported the implementation of 'Green Initiative' of the Ministry of Corporate Affairs (MCA) and effected electronic delivery of Notices and Annual Reports to shareholders, whose email IDs are registered.

Further, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing e-voting facility to all members to enable them to cast their votes electronically in respect of resolutions set forth in the Notice of Annual General Meeting [AGM]. The Company will also be conducting the AGM this year through Video Conferencing / Other Audio Visual Means. Members can refer to the detailed instructions for e-voting and electronic participation in the AGM, as provided in the Notice of the AGM.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar and Share Transfer Agent (R&TA) of the Company/Depository Participant (DP) of the respective member and take part in the Green Initiative of the Company.

29. THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, there is no application made/proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

30. ONE TIME SETTLEMENT

During the year under review, the Company has not entered in any one time settlement with any of the Banks/Financial Institutions and therefore, the relevant disclosures are not applicable to the Company.

31. IMPACT OF COVID-19 ON THE COMPANY'S BUSINESS

In March 2020, the outbreak of COVID-19 was declared as a pandemic by the World Health Organization. The pandemic has caused a significant decline and volatility in the global financial markets and also in economic activities in India. Your Company is closely watching the situation and taking prompt actions for continuity of business operations in an optimized manner.

32. ACKNOWLEDGEMENT

The Board of Directors place on record their sincere appreciation for the continued support and goodwill of the esteemed Shareholders, Bankers, Financial Institutions, Business partners and other Stakeholders. The Directors also thank to M/s Raj Achint & Associates, Statutory Auditor and M/s Ashish Kumar Friends & Co., Secretarial Auditor and other professionals for their valued contribution. The Directors also sincerely appreciate and thank all the employees of the Company for their valuable contribution and dedicated efforts in steering the Company to excellent performance for yet another year in succession.

Place: Delhi

Date: September 04, 2021

On Behalf of the Board of Director of
North Eastern Carrying Corporation Limited

Sd/-
(Sunil Kumar Jain)
Chairman and Managing Director
DIN: 00010695

"ANNEXURE I" TO THE BOARD'S REPORT

FORM AOC-2

DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

A. Details of contracts or arrangements or transactions not at arm's length basis:

| S. No. | Particulars | Details |
|--------|---|----------------|
| 1. | Details of contracts or arrangements or transactions not at arm's length basis | Not Applicable |
| | Name(s) of the related party and nature of relationship | |
| | Nature of contracts/arrangements/transactions | |
| | Duration of the contracts/arrangements/transactions | |
| | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| | Justification for entering into such contracts or arrangements or transactions | |
| | date(s) of approval by the Board | |
| | Amount paid as advances, if any: | |
| | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | |

B. Details of material contracts or arrangement or transactions at arm's length basis:

| S. No. | Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/transactions | Duration of the contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Amount paid as advances, if any: |
|--------|--|---|---|---|---|----------------------------------|
| 1. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 40,000/-P.M. (Rupees Forty Thousand Only) | 15.03.2019 | Nil |
| 2. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 40,000/-P.M. (Rupees Forty Thousand Only) | 15.03.2019 | Nil |
| 3. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only) | 15.03.2019 | Nil |

| | | | | | | |
|-----|--|-----------------|-------------------------|--|------------|-----|
| 4. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only) | 15.03.2019 | Nil |
| 5. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only) | 15.03.2019 | Nil |
| 6. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 25,000/-P.M. (Rupees Twenty five thousand Only) | 15.03.2019 | Nil |
| 7. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 50,000/-P.M. (Rupees Fifty Thousand Only) | 15.03.2019 | Nil |
| 8. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 20,000/-P.M. (Rupees Twenty Thousand Only) | 15.03.2019 | Nil |
| 9. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 25,000/-P.M. (Rupees Twenty Five Thousand Only) | 15.03.2019 | Nil |
| 10. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 75,000/- P.M. (Rupees Seventy Five Thousand Only) from 1.04.2019 to 31.03.2020 and Rent of INR 1,50,000/-P.M. (Rupees One Lakh Fifty Thousand Only) from 1.04.2020 to 31.02.2022 | 15.03.2019 | Nil |
| 11. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 10,000/-P.M. (Rupees Ten Thousand Only) | 15.03.2019 | Nil |
| 12. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 15,000/-P.M. (Rupees Fifteen Thousand Only) | 15.03.2019 | Nil |
| 13. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 10,000/-P.M. (Rupees Ten Thousand Only) | 15.03.2019 | Nil |

| | | | | | | |
|-----|---|-----------------|--------------------------|---|------------|-----|
| 14. | Mr. Sunil Kumar Jain Nature: Sunil Kumar Jain is the Managing Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 25,000/-P.M. (Rupees Twenty Five Thousand Only) | 15.03.2019 | Nil |
| 15. | Sunil Jain HUF Nature: Mr. Sunil Kumar Jain is Managing Director of the Company and also the Karta of Sunil Jain HUF | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 36,000/-P.M. (Rupees Thirty Six Thousand Only) | 15.03.2019 | Nil |
| 16. | Mrs. Vanya Jain Nature: Mrs. Vanya Jain is spouse of Mr. Sunil Kumar Jain | Lease Agreement | 1.04.2020 to 31.03.2022 | Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only) | 15.03.2019 | Nil |
| 17. | Mr. Utkarsh Jain Nature: Mr. Utkarsh Jain is the Whole-Time Director of NECC Ltd. | Lease Agreement | 1.04.2019 to 31.03.2022 | Rent of INR 50,000/-P.M. (Rupees Fifty Thousand Only) | 15.03.2019 | Nil |
| 18. | Shreyans Buildtech Private Limited Nature: Directors of the Company are in the Board of Shreyans Buildtech Private Limited | Lease Agreement | 01.04.2020 to 31.03.2021 | Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only) | 13.02.2020 | Nil |
| 19. | Shreyans Buildwell Private Limited Nature: Directors of the Company are in the Board of Shreyans Buildtech Private Limited | Lease Agreement | 01.04.2020 to 31.03.2021 | Rent of INR 44,097/-P.M. (Rupees Forty Four Thousand Ninety seven Only) | 13.02.2020 | Nil |

**For and on Behalf of the Board of Director of
North Eastern Carrying Corporation Limited**

Place: Delhi

Date: September 04, 2021

Sd/-
(Sunil Kumar Jain)
Chairman & Managing Director
DIN: 00010695



"ANNEXURE II" TO THE BOARD'S REPORT

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
FOR THE FINANCIAL YEAR 2020-21**

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

The Company has its "Corporate Social Responsibility Policy" in consonance with the CSR Policy framework enshrined in Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility & Sustainability Policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government of India.

NECC's CSR policy is aimed at demonstrating care for the community through its focus on education & skill development. Also embedded in this objective is support to the marginalized cross section of the society by providing opportunities to improve their quality of life. In line with the above, the Company ensures carrying out CSR projects/ programs in line with activities prescribed under Schedule VII of the Companies Act, 2013.

Overview of the activities/projects undertaken:

The Company supports Sewa Bharati, a NGO working towards the upliftment & empowerment of the neglected and under-privileged sections of the society. Sewa Bharati has numerous hostels for the economically underprivileged children across the country, especially the tribal and the rural poor. The organization supports primary education centers in rural areas and in slums. It also helps students from the remote tribal areas to enroll in schools in different parts of the country and sponsors all their educational and other needs.

The Company also encourages Education through "Unnati" a NGO Project which support children for higher education by running Schools and providing Scholarships of up to Rs. 50,000/- per Student to children of weaker section specially belonging to families below poverty line or those whose family income of less than Rs. 2 Lakhs per annum. The Company also sponsors the Salary of Teachers of the said Project on Monthly basis. The Company has spend Rs. 9,500/- (Rupees Nine thousand Five Hundred Only) towards Teachers' Salary in the Financial Year 2020-21.

Also, the Company supports Bharat Lok Siksha Parishad, a non-profit organization having a mission to bring basic education to every child across rural India. Ekal Abhiyan is eliminating illiteracy, providing elementary education in rural and tribal villages in all over India. The Company has given a donation of Rs 2,20,000 /- (Rupees Two Lakhs Twenty Thousand Only) towards Education and betterment of Underprivileged Children in the Financial Year 2020-21.

2. COMPOSITION OF CSR COMMITTEE

The Company has constituted CSR Committee in accordance with the provisions of Section 135 of the Companies Act, 2013 comprising of the following Members:-

| S. No. | Name of Director/Member | Designation | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|-------------------------|-----------------------------------|--|--|
| 1. | Mr. Sunil Kumar Jain | Managing Director, Chairperson of | 2 | 2 |

| | | | | |
|----|---------------------|--|---|---|
| | | CSR committee | | |
| 2. | Mrs. Reena Gupta | Non Executive, Non Independent Director, Member of CSR committee | 2 | 2 |
| 3. | Mr. Utsav Jain | Independent Director, Member of CSR committee | 2 | 2 |
| 4. | Mr. Shyam Lal Yadav | Chief Financial Officer, Executive Member of CSR committee | 2 | 2 |
| 5. | Mr. Vinod Nair | Deputy General Manager, Executive Member of CSR committee | 2 | 2 |

3. WEB LINKS WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY

- The composition of the CSR committee is available on our website, at <https://necgroup.com/corporate-information/>
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at <http://necgroup.com/csr/>
- The Board, based on the recommendation of the CSR committee, at its meeting held on May 22, 2020 and February 11, 2021, has approved the annual action plan / projects for fiscal 2022, as per which the requirement of CSR spending is not applicable for the Company.
- the details of which are available on our website, at <https://necgroup.com/corporate-information/>

4. DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE

The Company doesn't fall under the purview of Impact assessment, through an Independent agency as the Company's average CSR obligation is less than ten crore rupees in the three immediately preceding financial years.

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET-OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014 AND AMOUNT REQUIRED FOR SET-OFF FOR THE FINANCIAL YEAR, IF ANY

| <u>S.No</u> | <u>Financial Year</u> | <u>Amount available for set-off from preceding financial years (in Rs)</u> | <u>Amount required to be set-off for the financial years, if any (in Rs)</u> |
|-------------|-----------------------|--|--|
| 1. | 2020-2021 | NA | NA |

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5)

The average net profit of the Company for last three financial years for the purpose of computation of CSR expenditure is as under:

| Financial Year(s) | Profits |
|--------------------------|----------------|
| 2019-20 | 96,170,296.00 |
| 2018-19 | 6,70,33,577.00 |
| 2017-18 | 5,57,74,799.00 |
| Total | 218,978,672.00 |
| Average of last 3 years | 72,992,890.67 |

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 14,59,857.81

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year: Rs. 12, 30,357.81

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount spent for the Financial year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|--|--------------------------|---|---------------|-------------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of Transfer* | Name of the Fund | Amount | Date of Transfer |
| 2,29,500 | 12,30,357.81 | | NA | NA | NA |

**Note- The Company is in process to transfer the unspent amount in Unspent Corporate Social Responsibility account as soon as possible. Due to this pandemic situation of Covid, we did not meet the time lines which are totally uncontrollable; hence there is delay in opening of special Account in accordance with the statutory requirements. Further, We are ensuring if this account is not open due to inadvertently, unintentionally and accidentally, then we will transfer the unspent*



amount to any fund specified under Schedule VII as per second proviso to section 135(5) of the Companies Act, 2013.

(b) Details of CSR amount spent against other than ongoing projects for the financial year: nil

(c) Details of CSR amount spent against ongoing projects for the financial year: Rs. 2,29,500/-



| (1) S.No. | (2) Name of the project | (3) Item from the list of activities in schedule VII to the Act | (4) Local area (Yes/No) | (5) Location of the project | | (6) Amount spent for the projects (in Rs.) | (7) Mode of Implementation-Direct (Yes/No) | (8) Mode of Implementation-through implementing Agency |
|------------------|---|---|----------------------------|--------------------------------|------------------|---|---|---|
| | | | | State | District | | | |
| EDUCATION | | | | | | | | |
| 1 | Contribution in Project Unnati for sponsoring Salary of Teachers and providing Stationery to Students | Promoting Education including special education and employment enhancing vocation skills, especially among children, women, elderly and differently-abled and livelihood enhancement projects | Yes | Delhi | New Delhi | 9,500 | Yes | No |
| 2. | Donation to Bharat Lok Siksha Parishad | Education and betterment of Underprivileged Children | Yes | Delhi | North East Delhi | 2,20,000 | Yes | No |
| TOTAL | | | | | | 2,29,500 | | |

(d) Amount spent in administrative overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total Amount spent for the financial Year: Rs. 2,29,500



(g) Excess amount for Set off, if any: NIL

9 (a) Details of Unspent CSR amount for the preceding three financial year (s):

| S.No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in Rs.) | Amount spent in the reporting financial Year (in Rs.) | Amount transferred to any fund specified under schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years (in Rs.) |
|-------|--------------------------|---|---|--|-----------------|-------------------|---|
| | | | | Name of the Fund | Amount (in Rs.) | Date of transfer. | |
| 1. | 2019-2020 | 12,30,357.81 | 2,29,500 | NA | | | NA |
| 2. | 2018-2019 | NA | 4,01,960 | | | | |
| 3. | 2017-2018 | NA | 9,91,842 | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Refer pt. 8© of the Annexure.

10. IN CASE OF CREATION OR ACQUISITION OF CAPITAL ASSET, FURNISH THE DETAILS RELATING TO THE ASSET SO CREATED OR ACQUIRED THROUGH CSR SPENT IN THE FINANCIAL YEAR:

No capital asset was created / acquired for fiscal 2021 through CSR spend.



11. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5)

The Company has contributed an amount of Rs. 2,29,500 during the Financial Year 2020-2021. The Company could not spend 2% of the average net profit of last three financial years due to the outbreak of the Covid 19 and paucity of time, the Company has spent on the CSR activities less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements. The unspent balance of Rs 1230357.81 will be transferred to Unspent Corporate Social Responsibility account in accordance with the CSR Amendment Rules.

For North Eastern Carrying Corporation Limited

Place: Delhi
Date: September 04, 2021

Sd/-
(Sunil Kumar Jain)
Managing Director & Chairman of CSR Committee

"ANNEXURE III" TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
North Eastern Carrying Corporation Limited
9062/47, Ram Bagh Road, Azad Market,
Delhi-110006

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **North Eastern Carrying Corporation Limited** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not applicable during the financial year under review]**;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **[Not applicable during the financial year under review]**;

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable during the financial year under review**);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable during the financial year under review**);and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(**Not applicable during the financial year under review**).

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on the information received and records made available, I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board are carried unanimously and recorded as part of the minutes of the meetings.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: New Delhi

Date: September 04, 2021

**For A.K. FRIENDS & CO.
Practicing Company Secretaries**

Sd/-
**ASHISH KUMAR FRIENDS
Proprietor
C.P.No.: 4056
Membership No.: FCS 5129**

Note: This report is to be read with letter of even date by the Secretarial Auditor, which is annexed to this report and forms an integral part of this report.

To,
The Members,
North Eastern Carrying Corporation Limited

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Date: September 04, 2021

For A.K. FRIENDS & CO.
Practicing Company Secretaries

Sd/-
ASHISH KUMAR FRIENDS
Proprietor
C.P. No.: 4056
Membership No.: FCS 5129

"ANNEXURE IV" TO THE BOARD'S REPORT

PARTICULARS OF EMPLOYEES AND REMUNERATION

Statement under Section 197(12) of Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:**

| S. No. | Name(s) of Director(s) | Designation | Ratio to Median Remuneration |
|--------|------------------------|---------------------|------------------------------|
| 1. | Sunil Kumar Jain | Managing Director | 35.71 |
| 2. | Utkarsh Jain | Whole-Time Director | 8.92 |

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-2021:**

| S. No. | Name(s) of KMP | Designation | Percentage Increase |
|--------|-----------------|-------------------|---------------------|
| 1. | Shyam Lal Yadav | CFO & V.P. | Nil |
| 2. | Mamta Bisht | Company Secretary | Nil |

3. **Other Details required under Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

| S. No. | Particulars | |
|--------|---|---|
| i) | Percentage increase in the median remuneration of employees in the financial year: | - |
| ii) | Number of permanent employees on the rolls of company: | 485 |
| iii) | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: | During the year, citing situations arising out of COVID pandemic, no increment was given to the managerial personnel. |
| iv) | Comparison of Average percentile increase in the salaries of employees other than the managerial personnel with the percentile increase in the managerial remuneration and justification thereof: | - |
| v) | Affirmation: | The Board affirms that the remuneration paid is as per the remuneration policy of the Company. |

4. **Details of Employees drawing Remuneration in excess of salary drawn by the managing director or whole-time director**



| Name of Employee | Designation | Remuneration drawn on Yearly basis (in Rs.) | nature of employment | qualifications and experience | Date of Joining | age (in Years) | last employment held | the percentage of equity shares held |
|------------------------|---------------------------|---|----------------------|---|-----------------|----------------|---|--------------------------------------|
| SHYAM LAL YADAV | CFO & V.P. | 42,00,000 | Permanent | B.A Economics and Master in Economics from DU. He has been with the group since 1986 and has managed Finance, Operation and Marketing | 01/12/1986 | 58 | Green Carriers & Contractors Private Limited | 0.008 |
| RAVI GUPTA | Senior General Manager | 28,20,000 | Permanent | Bachelors of Art Degree from DU. He has vast knowledge of Operation, Marketing, and Accounts and helps the Management in taking crucial business decision | 05/04/2014 | 55 | G.I.R. Movers Private Limited | NIL |
| VINOD NAIR | Deputy General Manager | 15,24,000 | Permanent | B.A Honor's in Economics from DU and M.B.A, L.L.B. He has completed 25 years with the organization. He is handling all the legal compliances along with HR. | 01/11/1995 | 55 | D.P.S India Ltd (a Peerless Group Company), Abacus Computers Ltd, and Global Tele Systems (GTL) | 0.002 |
| DHARMENDRA KUMAR SINGH | Assistant General Manager | 12,60,000 | Permanent | Bachelor of Arts from Bihar University. He has vast experience of almost 18 yrs in marketing and operations. | 14/01/2008 | 53 | V. Trans Private Limited | 0.002 |



5. Details of Top Ten Employees

| Name of Employee | Designation | Remuneration drawn on Yearly basis (in Rs.) | nature of employment | qualifications and experience | Date of joining | age (in Years) | last employment held | % of equity shares held |
|------------------|------------------------------|---|----------------------|---|-----------------|----------------|---|-------------------------|
| SUNIL KUMAR JAIN | Chairman & Managing Director | 48,00,000 | Permanent | Graduation in Commerce from DU and he leads the company in all sectors- vide operation, marketing and finance. He applied his expertise to the various Consignments relating to transport, logistics and contributed directly to the project's success. | 10/10/1994 | 59 | - | NIL |
| SHYAM LAL YADAV | CFO & V.P. | 42,00,000 | Permanent | B.A Economics and Master in Economics from DU. He has been with the group since 1986 and has managed Finance, Operation and Marketing | 01/12/1986 | 58 | Green Carriers & Contractors Private Limited | 0.008 |
| RAVI GUPTA | Senior General Manager | 28,20,000 | Permanent | Bachelors of Art Degree from DU. He has vast knowledge of Operation, Marketing, and Accounts and helps the Management in taking crucial business decision | 05/04/2014 | 55 | G.I.R. Movers Private Limited | NIL |
| VINOD NAIR | Deputy General Manager | 15,24,000 | Permanent | B.A Honor's in Economics from DU and M.B.A, L.L.B. He has completed 25 years with the organization. He is handling all the legal compliances along with | 01/11/1995 | 55 | D.P.S India Ltd (a Peerless Group Company), Abacus Computers Ltd, and | 0.002 |



| | | | | HR. | | | Global Tele Systems (GTL) | |
|------------------------|---|-----------|-----------|--|------------|----|-------------------------------|-------|
| DHARMENDRA KUMAR SINGH | Assistant General Manager | 12,60,000 | Permanent | Bachelor of Arts from Bihar University. He has vast experience of almost 18 yrs in marketing and operations. | 14/01/2008 | 53 | V. Trans Private Limited | 0.002 |
| UTKARSH JAIN | Whole Time Director | 12,00,000 | Permanent | BSc (hons) in Management Studies, from the University of Nottingham, UK; IIM Ahmedabad | 16/12/2013 | 27 | - | 7.57 |
| PANKAJ G. PANDYA | Assistant General Manager | 11,40,000 | Permanent | Bachelor of Commerce. He has an experience of almost 23 years in logistics Sector. | 09/06/2016 | 58 | V. Trans Private Limited | NIL |
| SURYA NATH SINGH | Senior Manager - Accounts | 10,26,000 | Permanent | Bachelor in Commerce and Cost & Works Accountant. He has been working with the company from almost 23 yrs. In field of Finance & Accounts. | 20/12/1996 | 53 | - | NIL |
| SHAMBHU KUMAR | Manager IT | 7,80,000 | Permanent | Bachelors of Art Degree from Magadh University. He has experience of more than 16 yrs. in Information Technology Sector. | 08/04/2019 | 40 | GIR Logistics Private Limited | NIL |
| PRABHJEET SINGH | Senior Manager- Administration & Operation. | 6,84,000 | Permanent | Bachelors of Commerce from Delhi University. He has experience of more than 35 years in Administration & Operations. | 04/11/1985 | 56 | - | NIL |

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. The Board of Directors is responsible for and committed to sound principles of Corporate Governance in the Company. We, North Eastern Carrying Corporation Limited, meet the requirement on Corporate Governance under Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also follows the Secretarial Standards issued by Institute of Company Secretaries of India (ICSI).

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The driving forces of Corporate Governance at North Eastern Carrying Corporation Limited are its core values-belief in people, entrepreneurship, customer orientation and the pursuit of excellence.

NECC Corporate Governance Framework



The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees and Directors. The Company's Corporate Governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading and the Code of Fair Disclosure. The Company has in place Whistle Blower Policy which ensures corruption free work environment.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

2. BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance, objective judgment and at the same time monitors the strategic direction of the Company. The Company is headed by an Executive Chairman. The Directors of NECC has the requisite qualification, expertise and experience that allow them to efficiently manage the business of the Company and make effective contribution to the Board and its Committees. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in listing regulations and are independent of the management.

A. Composition of the Board

The key to good Corporate Governance is the optimum combination of the executive and non-executive Directors on the Board. As on March 31, 2021, the Board at NECC comprised of 6 Directors, out of which 2 were Executive Directors and the other three comprising of half of the Total Board are Independent Directors. One Director is Non-executive Non Independent Women Director. All the three Non-Executive Directors are Independent Directors free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013 and the Listing Regulations.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees

across all the public companies in which he or she is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as at the year-end have been made by the Directors. The Board periodically reviews the compliance reports of all laws applicable to the Company.

The relevant details of the Board of Directors and their directorships as on 31st March, 2021 are given here under:

| Sl No. | Name & Category of Director | No. of other Directorships as on March 31, 2021 | No. of Committee positions held in other companies* | | Directorships held in other Listed Entities and category of Directorship |
|--------|---|---|---|--------|---|
| | | | Chairman | Member | |
| 1 | Mr. Sunil Kumar Jain (Chairman & Managing Director and Promoter) | 10 | - | - | - |
| 2 | Mr Utkarsh Jain (Whole Time Director & Promoter) | 11 | - | - | - |
| 3 | Mr Manoj Kumar Jain (Independent Director) | 3 | 2 | 2 | 1. MPS Infotecnics Limited (Independent Director) 2. Advik Laboratories Limited (Independent Director) |
| 4 | Mr. Mohak Jain (Independent Director) | 4 | 2 | - | - |
| 5 | Mr. Utsav Jain (Independent Director) | 1 | - | - | - |
| 6 | Mrs. Reena Gupta (Non- Executive Director) | 1 | 1 | - | 1. AAR Shyam India Investment Company Limited (Independent Director) |

*In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

B. Other provisions as to Board and its Committees

i. Details of Board Meetings held during the financial year 2020-21

The Company follows a methodized process of decision-making by the Board and its Committees. The meeting dates are usually finalized in accordance with a pre-determined meeting calendar for the year and consultation with all Directors. All Agenda and explanatory notes (*except for price sensitive information, which are circulated separately before the meeting*) are normally sent to the Directors well in advance for the Meetings of the Board and Committees thereof. The Chairman & Managing Director of the Company decides inclusion of any matter in the agenda for discussion in the meeting of the Board/Committees thereof. The Meetings of the Board of Directors are normally held at Registered Office of the Company at Delhi, during office hours. The Company is also complying with the Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Meetings of Board and Shareholders.

During the financial year 2020-21, all the requisite information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. During the financial year 2020-21, the Board of Directors met 10 (ten) times on the following dates

| FY 2020-21 Q1 | FY 2020-21 Q2 | FY 2020-21 Q3 | FY 2020-21 Q4 |
|---------------|--------------------|-------------------|-------------------|
| May 22, 2020 | July 15, 2020 | October 19, 2020 | January 05, 2021 |
| | September 05, 2020 | November 11, 2020 | February 11, 2021 |
| | | | February 22, 2021 |
| | | | March 16, 2021 |
| | | | March 31, 2021 |

ii. **Details of Directors' attendance (physical presence or through video conferencing) at Board Meetings and AGM held during the financial year 2020-21.**

| Sl No | Name of Director | Present at the 35 th AGM held on 29.09.20 | Presence at Board Meeting | | | | | | | | | | Held during tenure | Attended | % of attendance | |
|-------|---|--|---------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------------|----------|-----------------|-----|
| | | | 22.05.20 | 15.07.20 | 05.09.20 | 19.10.20 | 11.11.20 | 05.12.20 | 11.01.21 | 22.02.21 | 16.03.21 | 31.03.21 | | | | |
| 1. | Mr. Sunil Kumar Jain (Chairman & Managing Director) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 10 | 10 | 100 |
| 2. | Mr. Utkarsh Jain (Whole Time Director) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 10 | 10 | 100 |
| 3. | Mr. Manoj Kumar Jain (Independent Director) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 10 | 10 | 100 |
| 4. | Mr. Mohak Jain (Independent Director) | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 10 | 10 | 100 |
| 5. | Mr. Utsav Jain (Independent Director) | No | Leave of Absence | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 10 | 9 | 90 |
| 6. | Mrs. Reena Gupta (Non-Executive Director) | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 10 | 10 | 100 |

iii. **Retirement by rotation at the ensuing 36th AGM**

In accordance with the provisions of the Companies Act, 2013 and Article 102 of the Articles of Association of the Company, Mr. Sunil Kumar Jain, Chairman & Managing Director, shall retire by rotation at the ensuing 36th Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

iv. **Inter-se relationship between Directors**

There is no inter-se relationship between the Directors as on March 31, 2021 except between Mr. Sunil Kumar Jain, Chairman & Managing Director and Mr. Utkarsh Jain, Whole time Director. None of the Non-Executive Director of the Company holds any shares in the Company.

- v. A separate meeting of Independent Directors of the Company was held on February 22, 2021, in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, which was attended by all the Independent Directors of NECC.

vi. Key Board skills, expertise, competencies and attributes:

The NECC Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees.

As per amended SEBI Listing Regulations, the Board has identified the following key skills, expertise, competencies and attributes to enable it to function effectively:

| Parameters of Directors' qualifications | |
|--|--|
| Financial Management | Planning, organizing, directing and controlling the financial activities which include mobilization and utilization of funds, financial accounting and management control systems, tax planning etc. |
| Logistics & Transportation sector | A significant background in technology and in-depth insight into the various elements of transportation services to customers. |
| Risk Management | Forecasting and evaluation of operational risk, credit risk, market risk, interest rate, liquidity, Identifying any potential threats that may occur during the investment/ financing process and mitigation of the same |
| Leadership | Extended leadership experience for establishing a clear vision and taking actions for achieving the organizational goals. |
| Board practices and governance | Service on a public listed company, the company Board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices. |
| Corporate Planning & Strategy | Management activities that are used to set priorities, focus energy and resources, strengthen operations, and ensure that employees and other stakeholders are working towards common goals by establishing agreement on intended outcomes/results and assess & adjust the organization's direction in response to a changing environment. |

In the table below, the specific areas of focus or expertise of individual Board member (as on March 31, 2021) have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skill or expertise:

| Name of Director | Key qualifications of the Board | | | | | | |
|----------------------|---------------------------------|-----------------------------------|-----------------|-------------------|------------|--------------------------------|-------------------------------|
| | Area of expertise | | | | | | |
| | Financial Management | Logistics & Transportation sector | Risk Management | Management skills | Leadership | Board practices and governance | Corporate Planning & Strategy |
| Mr. Sunil Kumar Jain | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Utkarsh Jain | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Manoj Kumar Jain | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Mr. Mohak Jain | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Mr. Utsav Jain | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Mrs. Reena Gupta | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors of NECC functions either as full Board, or through various Committees constituted to oversee specific areas of business operations and Corporate Governance. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals, focus on their assigned areas and make informed decisions within the authority delegated to them.

As on March 31, 2021, the Board had the following committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Risk Management Committee
5. Corporate Social Responsibility Committee

The Minutes of Meetings of all Committees are placed before the Board, for information and noting in term of Articles of Association of the Company, Secretarial Standards on Board Meetings and other applicable statutory requirements.

3.1 AUDIT COMMITTEE

The Company has an Audit Committee in place, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations. The Audit Committee carries out the role as per its terms of reference and reviews the information prescribed under the applicable statutory provisions.

(i) The terms of reference of the Audit Committee are as under

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible review and monitor of auditor's independence and performance, and effectiveness of audit process;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- approval of payment to statutory auditors for any other services rendered by the statutory auditors
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
 - changes, if any, in accounting policies and practices and reasons for the same
 - major accounting entries involving estimates based on the exercise of judgment by management
 - significant adjustments made in the financial statements arising out of audit findings
 - compliance with listing and other legal requirements relating to financial statements
 - disclosure of any related party transactions
 - modified opinion(s) in the draft audit report
- reviewing, with the management, the quarterly financial statements before submission to the board for approval
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process etc.
- Carry out any other function as directed by the Board and/or mandated by any statutory authority through any notification, amendment or modification from time to time

ii. As on March 31, 2021, the composition of the Audit Committee was as under:

| S. No. | Name of the Members | Position in the Committee | Number of meetings | | |
|--------|----------------------|---------------------------|--------------------------------|----------|--------------------------|
| | | | Held during tenure of Director | Attended | Percentage of attendance |
| 1. | Mr. Manoj Kumar Jain | Chairman | 5 | 5 | 100 |
| 2. | Mr. Mohak Jain | Member | 5 | 5 | 100 |
| 3. | Mr. Utsav Jain | Member | 5 | 4 | 80 |

The quorum for Audit Committee meeting shall either be two members or one third of the members of the Audit Committee, whichever is greater, with at least two Independent Directors present for the meeting. Further, Chief Financial Officer, Internal Auditor and representatives of Statutory Auditors are invited for the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee, Mr. Manoj Kumar Jain, possesses accounting and financial management expertise; and all other members of the Audit Committee are financially literate. Further, the Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 29, 2020, to answer shareholders' queries

iii. Meeting Details:

During the financial year 2020-21, five (5) meetings of the Audit Committee were held on (i) May 22, 2020; (ii) July 15, 2020; (iii) September 05, 2020; (iv) November 11, 2020 and (v) February 11, 2021.

3.2 NOMINATION AND REMUNERATION COMMITTEE.

The Company has constituted a Nomination & Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations.

(i) The terms of reference of Nomination and Remuneration Committee are as under:

Primary responsibility of the Committee is to identify and nominate suitable candidates for Board membership and as members of Senior Management of the Company. The Committee also formulated policies relating to the remuneration of Directors, Key Managerial Personnel and other employees of the Company. The Company is responsible:

- Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal;
- Recommending desirable changes in the Board composition, size and diversity, committees structures and processes and other aspects of the Board's functioning;
- Assist the Board in ensuring that plans are in place for orderly succession for appointment to the Board & Senior Management.
- formulation of the criteria for determining qualifications, positive attributes and independence of a director & KMPs.
- formulation of criteria for evaluation of performance of independent directors and the board of directors etc.
- Formulation & supervision of the Remuneration Policy of the Company
- Carry out any other function as directed by the Board and/or mandated by any statutory authority through any notification, amendment or modification from time to time

(ii) Nomination & Remuneration Policy

The Company has adopted Nomination and Remuneration Policy for Directors and Key Managerial Personnel. The policy has laid the criteria for determining qualifications, positive attributes and Independence of Director. Pursuant to the provisions of the Companies Act, 2013, and the Listing Regulations, the Board has carried out an Annual Performance Evaluation of its own performance and the Directors individually as well as the evaluation of the working of its Board Governance, Nomination and Remuneration Committee and other committees. The policy lays down the criteria for evaluation of Independent Directors. The policy is available at website of the company at following

web link: <http://neccgroupp.com/wp-content/uploads/2015/02/Nomination-Remuneration-Policy.pdf>

(iii) Composition and Attendance during the year

As on March 31, 2021, the composition of the Nomination and Remuneration Committee was as under:

| S. No. | Name of the Members | Category & Position in the Committee | Number of meetings | |
|--------|----------------------|--------------------------------------|--------------------------------|----------|
| | | | Held during tenure of Director | Attended |
| 1. | Mr. Manoj Kumar Jain | Chairman , Non-Executive Independent | 1 | 1 |
| 2. | Mr. Mohak Jain | Member , Non-Executive Independent | 1 | 1 |
| 3. | Mr. Utsav Jain | Member , Non-Executive Independent | 1 | 1 |

Mr. Manoj Kumar Jain is the Chairman of the Nomination and Remuneration/Compensation Committee and he attended the previous year Annual General Meeting held on September 29, 2020. As of March 31, 2021, the Committee consisted of three members; all the members are Independent Directors. The composition of the Committee is in compliance with the applicable laws. The Company Secretary of the Company is the Secretary of the Committee.

(iv) Meeting Details:

The Members of Nomination and Remuneration Committee met 1 time on February 11, 2021

(v) Remuneration of Directors

The Executive Directors are remunerated by way of salary, based upon the criteria laid down by the Nomination and Remuneration Committee. The Executive Directors are appointed for a period of 5 year wherein their remuneration limits are also defined within which the Board of Directors/ Nomination and Remuneration Committee has the power to decide the remuneration for each year. The remuneration paid to Whole Time Directors including the Chairman & Managing Director was as per the terms and conditions of their appointment. The details of remuneration paid to Whole Time Directors of the Company:

| S. No | Name | Designation | Salary | Commission | Sitting Fees |
|-------|----------------------|------------------------------|-----------|------------|--------------|
| 1. | Mr. Sunil Kumar Jain | Chairman & Managing Director | 48,00,000 | Nil | Nil |
| 2. | Mr. Utkarsh Jain | Director | 12,00,000 | Nil | Nil |

Remuneration of Non-executive and Independent Director

During the financial year 2020-21, no Remuneration, commission is paid to Independent Directors. The Non Executive Director, Mrs. Reena Gupta was paid sitting fees of Rs.1,00,000/- p.a (Rupees One lakh only) for attending the Board Meetings and Committee meetings in accordance with the provisions of Companies Act, 2013. None of the Non-Executive Directors & Independent Directors have any material pecuniary relationship or transaction with the Company.

None of the Directors has been issued any stock options by the Company during the year or any time in the past. Further, none of the Directors of the Company are in receipt of any Commission from the Company.

(vi) Performance Evaluation Criteria of Independent Directors

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee and is based upon contribution and involvement of a director, commitment, integrity and maintenance of confidentiality and independence of conduct and judgment.

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee in term of the provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the SEBI (LODR) Regulations, 2015. The Committee is responsible for resolving investor's complaints pertaining to share transfers, non-receipt of annual reports, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

i. Terms of Reference

The terms of reference of the Committee, inter-alia includes:

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Approve issue of the Company's duplicate share certificates and new certificates on split/consolidation/renewal etc. and approves transfer/transmission, dematerialization and rematerialization of equity shares in a timely manner.
3. Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report etc.
4. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.

ii. Composition and Attendance during the year

Mr. Manoj Kumar Jain is the Chairman of the Stakeholders' Relationship Committee. The composition of the Committee is in compliance with the applicable laws. The Company Secretary of the Company is the Secretary of the Committee and also the Compliance officer of the Company.

| S. No. | Name of the Committee Members | Category & Position in the Committee | Number of meetings | |
|--------|-------------------------------|--------------------------------------|--------------------------------|----------|
| | | | Held during tenure of Director | Attended |
| 1. | Mr. Manoj Kumar Jain | Chairman & Independent Director | 1 | 1 |
| 2. | Mr. Mohak Jain | Member & Independent Director | 1 | 1 |
| 3. | Mr. Utsav Jain | Member & Independent Director | 1 | 1 |

Mr. Manoj Kumar Jain, Chairman of the Stakeholders' Relationship Committee was present at the Annual General Meeting held on September 29, 2020.

iii. Meeting Details:

The Members of Stakeholders' Relationship Committee met 1 time on February 11, 2021 to review the status of pendency of Shareholders/investors grievances.

iv. Status of Shareholders/Investors Grievances

Securities and Exchange Board of India (SEBI) has a web-based complaints redressal system namely SCORES (SEBI Complaints Redressal System), through which investors can lodge a complaint against a company for their grievances. The status of every complaint can be viewed online and if required, the investor can send reminder for the complaints. Also, through this system, the investors are able to check the status of the complaints e.g. with whom the complaint is pending, upon whom the responsibility has been fixed and for how much time the complaint is pending. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaint in physical form.

The Company has been attending to all investor grievances expeditiously and promptly. Status of Shareholders/ Investors Grievances pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the financial year 2020-21, is as follows:

| Particulars | Number of Complaints |
|--|----------------------|
| Pending at the beginning of the financial year | Nil |
| Received during the financial year | Nil |
| Disposed during the financial year | Nil |
| Remaining unresolved as on March 31, 2021 | Nil |

3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The CSR Committee of the Company is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made under:

i. Terms of Reference

The role of CSR Committee is according to Companies Act, 2013 as amended from time to time and to do any other activity delegated by the Board. The terms of reference of the Committee is to, inter-alia includes:

1. to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. to monitor the Corporate Social Responsibility Policy of the Company from time to time;
3. to recommend the amount of expenditure to be incurred on the activities
4. To recommend/review CSR projects/programmes/proposals, falling within the purview of Schedule VII of the Companies Act, 2013;
5. to institute a transparent monitoring mechanism for implementation of the CSR projects / programmes / activities undertaken by the Company;
6. to periodically submit the reports to the Board of Directors for their information, consideration and necessary directions etc.
7. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.

ii. Composition and Attendance during the year

During the financial year 2020-21, the "Corporate Social Responsibility Committee" comprised of the following Members:

| S. No. | Name of Member | Category & Position in the Committee | Number of meetings | |
|--------|----------------------|--------------------------------------|--------------------------------|----------|
| | | | Held during tenure of Director | Attended |
| 1. | Mr. Sunil Kumar Jain | Chairman & Executive Director | 2 | 2 |
| 2. | Mrs. Reena Gupta | Member & Non-Executive Director | 2 | 2 |
| 3. | Mr. Utsav Jain | Member & Independent Director | 2 | 2 |
| 4. | Mr. Shyam Lal Yadav | Executive Member | 2 | 2 |
| 5. | Mr. Vinod Nair | Executive Member | 2 | 2 |

Mr. Sunil Kumar Jain is the Chairman of the Committee and the Company Secretary of the Company acts as the Secretary of the Committee. The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section of this Annual Report.

iii. Meeting Details:

The Members of CSR Committee met 2 times on (i) May 22, 2020; and (ii) February 11, 2021.

3.5 RISK MANAGEMENT COMMITTEE

Pursuant to the provisions of Regulation 21(5) of the SEBI Listing Regulations mandates top 1000 listed entities, determined on the basis of market capitalization to constitute a Risk Management Committee. Although non-mandatory, the Company has constituted the Risk Management Committee of the Board.

i. Terms of Reference

The terms of reference of the Risk Management Committee to the extent applicable to NECC are as follows:

1. Defines overall risk appetite and defines the risk management culture.
2. Boards of Directors are responsible for overall implementation of risk management strategy in the whole organization.
3. Agree on assignment of risk responses to risk owners.
4. Assumes overall responsibility for the agency's system of internal control.
5. Reviews performance, progress, and compliance with risk management process.

6. Any other matter as the Risk Management Committee may deem appropriate after approval of the Board of Directors or as may be directed by Board of Directors of the Company

ii. Composition and Attendance during the year

During the financial year 2020-21, the "Risk Management Committee" comprised of the following Members:

| S. No. | Name of Member | Category & Position in the Committee | Number of meetings | |
|--------|---------------------|--------------------------------------|--------------------------------|----------|
| | | | Held during tenure of Director | Attended |
| 1. | Mrs. Reena Gupta | Member & Non-Executive Director | 2 | 2 |
| 2. | Mr. Utsav Jain | Member & Independent Director | 2 | 2 |
| 3. | Mr. Mohak Jain | Member & Independent Director | 2 | 2 |
| 4. | Mr. Shyam Lal Yadav | Executive Member | 2 | 2 |

iii. Meeting Details:

The Members of Risk Management Committee met 2 times on (i) May 22, 2020; and (ii) October 19, 2020.

4. GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the Company are given below and special resolution passed:

| Financial Year | Date | Time | Venue | Special Resolutions passed |
|----------------|--------------------|------------|--|--|
| 2019-20 | September 29, 2020 | 11.00 A.M. | Through Video Conferencing /Other Audio Visual Means (VC/OAVM) | No Special Resolution was passed. |
| 2018-19 | September 30, 2019 | 10.00 A.M. | B-2, Aadarsh Sadan, Ashok Vihar, Phase-II, Delhi-110052 | No Special Resolution was passed. |
| 2017-18 | September 28, 2018 | 10.00 A.M. | B-2, Aadarsh Sadan, Ashok Vihar, Phase-II, Delhi-110052 | 1) To re-appoint Mr. Sunil Kumar Jain as Managing Director of the Company 2) To re-appoint Mr. Utkarsh Jain as Whole Time Director of the Company 3) To re-appoint Mr. Manoj Kumar Jain as Independent Director of the Company 4) To re-appoint Mr. Utsav Jain as Independent Director of the Company 5) To re-appoint Mr. Mohak Jain as Independent Director of the Company |

During the financial year 2020-21, no postal ballot process was conducted and no special resolution was passed through postal ballot.

Pursuant to the General Circular dated January 13, 2021 read with Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020, issued by the Ministry of Corporate Affairs ("MCA Circulars") and SEBI Circular dated January 15, 2021 read with circular dated May 12, 2020, the 36th Annual General Meeting of NECC is being held through Video Conferencing/Other Audio Visual Means. The Company will provide facility to shareholders to attend the said AGM electronically and also enable shareholders to exercise their right to vote through electronic means at the said AGM. Details regarding participation in the said AGM and other relevant information is appearing in the Notice of the 36th AGM of the Company.

5. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report and other documents through electronic means to its members at their registered email addresses, besides sending the same in physical form.

In line with the MCA Circulars and SEBI Circular referred above, the Notice of the 36th AGM along with Annual Report for the financial year 2020-21 would be sent by e-mail to all members, whose e-mail IDs are registered with the Company.

The Company had published advertisements in newspapers, to encourage shareholders holding shares in physical and electronic form to register/update their email IDs for receiving the Annual Report for the financial year 2020-21. Further, the Company had also sent SMSes to the shareholders whose Mobile Numbers were registered with the concerned Depository, for updation of e-mail IDs. Despite the above efforts, those shareholders who have still not been able to update their e-mail IDs, may follow the process mentioned in the Notice of the 36th AGM, for registration of e-mail ID and procuring User ID & Password for e-voting at the ensuing AGM of the Company.

6. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year and none of the transaction was in conflict with the interest of the Company. The transactions with related parties are included in the Notes to Accounts as per applicable provisions of Companies Act, 2013. The particulars of Related Party Transactions are given in form AOC-2 annexed to the Board's Report. The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web-link is given below:

<http://neccgroupp.com/wp-content/uploads/2016/03/Policy-on-Related-Party-Transaction-NECC.pdf>

7. DISCLOSURES

- (i) The Company has complied with all the requirements of Listing Regulations, the Companies Act, 2013, applicable Secretarial Standards and other statutory authorities on all matters relating to the capital market during the past, including the preceding three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.
- (ii) As required under statutory provisions, all returns /reports were filed within stipulated time with stock exchanges/ other authorities.
- (iii) The Company has complied with the requirements of Regulation 17 to 27 of Listing Regulations, as amended from time to time, relating to Board, Committees and Corporate Governance as amended from time to time and maintaining & updating the Website of the Company as required under Regulation 46 of Listing Regulations. The Company has also complied with the disclosure requirements under Corporate Governance Report as per Part C of Schedule V of the Listing Regulations.

Further, in compliance of Regulation 46 of Listing Regulations, the Company has *inter-alia* disclosed the information relating to details of business of the Company, terms and conditions of appointment of Independent Directors, composition of various committees of Board of Directors, Code of Business Conduct and Ethics for Board Members and Senior Management on NECC's website at www.neccgroupp.com.

Details of establishment of Vigil Mechanism/ Whistle Blower policy, Policy on dealing with Related Party transactions, details of familiarization programme imparted to Independent Directors and Policy for determination of materiality of events for disclosure to the stock exchanges, etc. are also available on NECC's website at www.neccgroupp.com. The Company affirms that a Whistle Blower

Policy/ Vigil Mechanism is in place and no person has been denied access to the Competent Authority.

- (iv) The Company has laid down the procedure to inform the Board about the risk assessment and minimization. The Board of Directors of the Company reviews the procedures to ensure that the integrated risks are managed through a properly defined framework.
- (v) The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/or Partners.
- (vi) All members of Senior Management have made disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (e.g. dealing in Company shares, commercial dealings with bodies which have shareholding of management and their relatives etc.) and there was no such instance of conflict for financial year 2020-21.
- (vii) There were no materially significant transactions with related parties i.e. Promoters, Directors or the management, conflicting with the Company's interest. The Independent Directors do not hold any equity shares of the Company.
- (viii) The Balance Sheet, Statement of Profit & Loss, Statement of changes in equity and Cash Flow Statement for the financial year 2020-21 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended, and other accounting principles generally accepted in India.
- (ix) The disclosures in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's report.
- (x) The Company has adopted all mandatory items and some of the non-mandatory items on Corporate Governance. The status of non-mandatory requirements pertaining to Corporate Governance section of Listing Regulations is as follows:
 - **The Board:** The Company is headed by an Executive Chairman.
 - **Shareholder Rights:** The Company is making available to the shareholders / investors all information timely, to enable them to be sufficiently informed of the major decisions of the Company.
 - **Audit Qualifications:** There are no audit qualifications pertaining to financial year 2020-21 and it is always Company's endeavor to maintain unqualified financial statements.
 - **Separate posts of Chairman and CEO** - There is no separate post of Chairman and CEO. The role of CEO is being performed by Chairman and Managing Director of the Company.
 - **Reporting of Internal Auditor-** The internal auditor of the Company are invited to the Meetings of the Audit Committee and directly report all their observations to the Audit Committee.
- (xi) There are no audit qualifications by the Statutory Auditors in their report pertaining to financial year 2020-21. Further, the Company has informed the Stock Exchanges that the Statutory Auditors have furnished Audit Report on Standalone & Consolidated Financial Results with unmodified opinion, in line with the provisions of SEBI (LODR) Regulations.
- (xii) The Company has not issued any Stock Options/ESOPs during the financial year 2020-21.

8. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

NECC has a "Code of Conduct for Board Members and Senior Management", which is a comprehensive code applicable to all the Directors, Key Managerial and Senior Management Personnel of the Company. The said Code was duly amended after the introduction of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, in supersession of the earlier Code of Conduct.

A copy of the Code of Conduct is available on the website of the Company at <http://neccgroup.com/wp-content/uploads/2016/08/Code-of-Conduct.pdf>. Based on the affirmation received from the Board Members and Senior Management Personnel, a declaration regarding Compliance of Code of Conduct from Chairman and Managing Director of the Company is as under:

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, All Board Members and Senior Management have affirmed compliance with the "Code of Conduct for Board Members and Senior Management of the Company for the financial year ended March 31, 2021.

Place: Delhi
Date: 04.09.2021

Sd/-
(Sunil Kumar Jain)
Chairman & Managing Director
DIN: 00010695

9. WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy in place, in terms of Companies Act, 2013 read with rules made there under and Listing Regulations. The Whistle Blower Policy enables Directors/ Employees of NECC to raise concerns regarding any alleged malpractice or wrong doing, which could affect the business or reputation of the Company. The complaint can be made to the Competent Authority in the manner prescribed under the Policy. The Whistle Blower Policy is available on the website of the Company.

A declaration by the Chairman & Managing Director of the Company, that no person has been denied access to the Competent Authority under the Whistle Blower Policy during the financial year 2020-21 and necessary system has been put in place to provide protection to the complainant, wherever required, is as under:

ANNUAL AFFIRMATION IN TERMS OF WHISTLE BLOWER POLICY OF THE COMPANY

During the financial year 2020-21, no person has been denied access to the Competent Authority and necessary system has been put in place, to provide protection to the complainant, wherever required.

Place: Delhi
Date: 04.09.2021

Sd/-
(Sunil Kumar Jain)
Chairman & Managing Director
DIN: 00010695

10. MEANS OF COMMUNICATION

(i) Financial Results

The Company's Quarterly/Half-Yearly/Annual Results are intimated to stock exchanges and published within 48 hours of the conclusion of the meeting of the Board in which they are considered in financial and national newspapers like Financial Express (English) and Jansatta (Hindi). These results and all other announcements are also made available on Company's website at www.neccgroupp.com.

(ii) Website

The 'Investors Relation' section on the website of the Company contains all the relevant information pertinent to the shareholders i.e. financial results, annual reports, shareholding patterns, official news releases, Notices and other general information about the Company.

11. CEO/CFO CERTIFICATE

The certificate as required pursuant to Regulation 17(8) of the Listing Regulations is furnished by the Managing Director and the Chief Financial Officer of the Company to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls.

12. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting for the financial year 2020-21

Pursuant to the Circular(s) issued by the Ministry of Corporate Affairs and SEBI, the Annual General Meeting of the Shareholders will be held this year through electronic mode on the following day, date & time:-

| Day and Date | Time | Venue |
|-------------------------------|------------|---|
| Wednesday, September 29, 2021 | 12.30 P.M. | The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 and January 13, 2021 and thus venue requirements are not applicable for this AGM. For details please refer to the Notice of this AGM |

2. Financial Calendar

The financial year of the Company starts from the 1st day of April and ends on 31st day of March of next year.

| Particulars | Financial Year 2020-21 | | Financial Year 2021-22 | |
|-------------------------------|--|--------------------|--|--|
| Accounting Period | April 1, 2020 to March 31, 2021 | | April 1, 2021 to March 31, 2022 | |
| | 1st Quarter | September 14, 2020 | 1st Quarter | Announcement within 45 days from the end of quarter or as prescribed under statutory provisions. |
| | 2nd Quarter | November 11, 2020 | 2nd Quarter | |
| | 3rd Quarter | February 11, 2021 | 3rd Quarter | |
| | 4th Quarter & Annual Financial Results | June 30, 2021 | 4th Quarter & Annual Financial Results | Announcement within 60 days from the end of the financial year or as prescribed under statutory provisions |
| Annual General Meeting | September 29, 2021 | | August/September, 2022 | |

Note: (1) In view of the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021 had, inter-alia, granted relaxation to listed companies that Board Meeting to consider financial results for the financial year ended on March 31, 2021 can be held upto June 30, 2021.

3. Book Closure Date

The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 23, 2021 to Wednesday, September 29, 2021 (both days inclusive)** for the purpose of the 36th Annual General Meeting.

4. Listing of Equity Shares

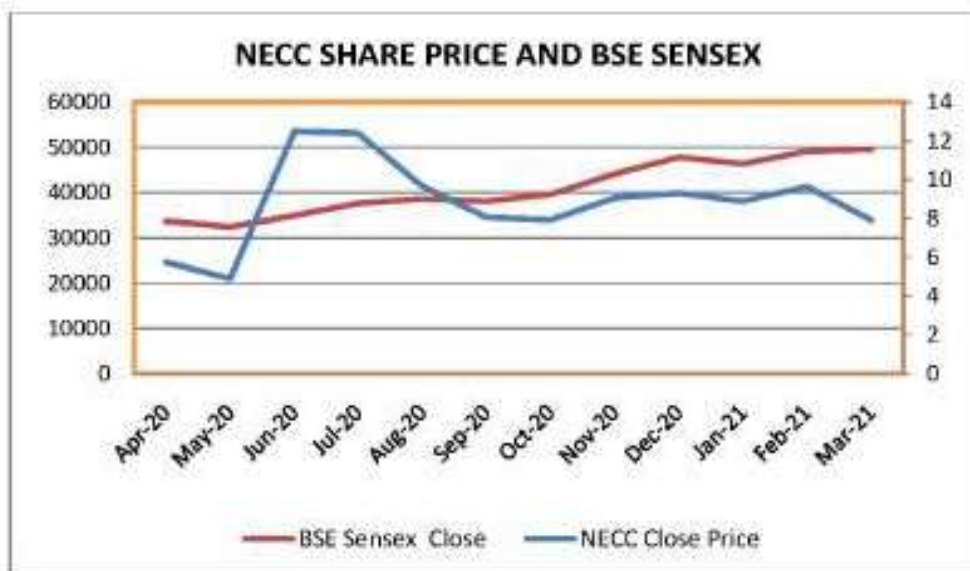
Equity shares of NECC are listed on the following Stock Exchanges:

| Name & Address of the Stock Exchanges | Scrip Code | Address | ISIN Number For NSDL /CDSL (Dematerialized Shares) |
|---|------------|---|--|
| National Stock Exchange of India Limited(NSE) | NECC LTD | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 | INE553C01016 |
| BSE Limited | 534615 | Phirozejeejeebhoy Towers, Dalal Street, Mumbai-4000 01 | |

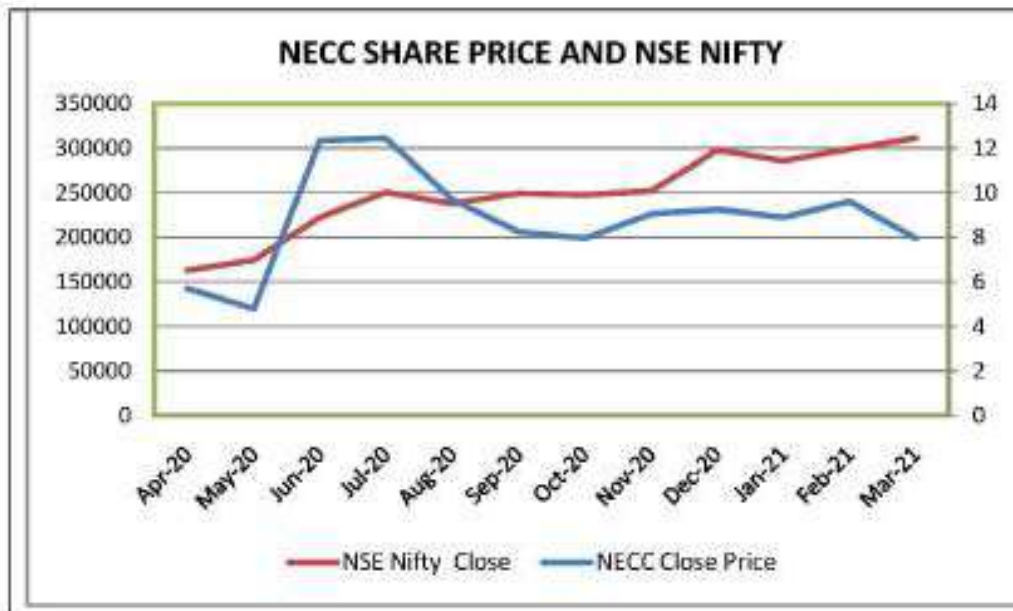
5. Market price data for the financial year 2020-21

Market Price data- the monthly high and low prices of the Company's shares at BSE and NSE for the financial year 2020-21 are as follows:

| Month | Monthly Performance of NECC share at BSE | | | Movement of BSE SENSEX | | |
|-----------------|--|-------------|---------------|------------------------|-------------|---------------|
| | High (in Rs) | Low (in Rs) | Close (in Rs) | High (in Rs) | Low (in Rs) | Close (in Rs) |
| April, 2020 | 6.00 | 3.21 | 5.75 | 33887.25 | 27500.79 | 33717.62 |
| May, 2020 | 6.00 | 4.00 | 4.89 | 32845.48 | 29968.45 | 32424.1 |
| June, 2020 | 12.49 | 4.43 | 12.49 | 35706.55 | 32348.1 | 34915.8 |
| July, 2020 | 17.29 | 12.40 | 12.40 | 38617.03 | 34927.2 | 37606.89 |
| August, 2020 | 12.30 | 8.80 | 9.66 | 40010.17 | 36911.23 | 38628.29 |
| September, 2020 | 9.87 | 7.90 | 8.04 | 39359.51 | 36495.98 | 38067.93 |
| October, 2020 | 8.55 | 7.42 | 7.92 | 41048.05 | 38410.2 | 39614.07 |
| November, 2020 | 9.62 | 6.65 | 9.06 | 44825.37 | 39334.92 | 44149.72 |
| December, 2020 | 12.97 | 9.10 | 9.30 | 47896.97 | 44118.1 | 47751.33 |
| January, 2021 | 10.41 | 8.78 | 8.89 | 50184.01 | 46160.46 | 46285.77 |
| February, 2021 | 10.45 | 8.60 | 9.65 | 52516.76 | 46433.65 | 49099.99 |
| March, 2021 | 10.51 | 7.60 | 7.91 | 51821.84 | 48236.35 | 49509.15 |



| Month | Monthly Performance of NECC share at BSE | | | Movement of NSE NIFTY | | |
|-----------------|--|-------------|---------------|-----------------------|-------------|---------------|
| | High (in Rs) | Low (in Rs) | Close (in Rs) | High (in Rs) | Low (in Rs) | Close (in Rs) |
| April, 2020 | 6.10 | 3.20 | 5.70 | 165331 | 160905.4 | 163144.5 |
| May, 2020 | 5.75 | 4.00 | 4.80 | 176936.9 | 173049.4 | 174648.25 |
| June, 2020 | 12.35 | 4.60 | 12.35 | 224600.4 | 220223.85 | 222562 |
| July, 2020 | 17.00 | 12.45 | 12.45 | 252227 | 248913.55 | 250647 |
| August, 2020 | 12.40 | 8.60 | 9.70 | 239234.75 | 236480.4 | 237689.9 |
| September, 2020 | 10.10 | 7.85 | 8.25 | 251138.7 | 247808.35 | 249407.45 |
| October, 2020 | 8.65 | 7.35 | 7.95 | 249161.6 | 245923.8 | 247583.9 |
| November, 2020 | 9.80 | 7.00 | 9.05 | 253081.95 | 250026.75 | 252046.45 |
| December, 2020 | 13.00 | 9.05 | 9.25 | 299148.55 | 295726.25 | 298109.7 |
| January, 2021 | 10.40 | 8.65 | 8.90 | 287897.8 | 283883 | 285692.05 |
| February, 2021 | 10.50 | 8.75 | 9.60 | 301332.85 | 296689.15 | 299136.85 |
| March, 2021 | 10.45 | 7.50 | 7.95 | 314079.9 | 309104.85 | 311537.1 |



6. Registrar and Share Transfer Agent

MAS Services Limited

T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

Tel: +91-11-2638 7281/82/83, Fax: +91-11-2638 7384

E-mail: info@masserv.com, Website: www.masserv.com

7. Share Transfer System

The Board of Directors of the Company delegated the authority to approve the transfer of shares, transmission of shares, issue of duplicate shares, split, consolidation and renewal of share certificates to the Stakeholders' Relationship Committee of the Board of Directors.

All the Documents received from shareholders are scrutinized by the RTA, MAS Services Limited. The Share lodged for transfer, etc are processed and share certificates duly endorsed are returned within stipulated time, subject to documents being valid and complete in all aspects. A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

Further, pursuant to Regulation 40(9) & (10) of Listing Regulations, a Certificate from Practicing Company Secretary on half yearly basis confirming due compliance of share transfer formalities by the Company has been submitted to Stock Exchanges within stipulated time. Further, it is also confirmed that all transfer of shares were completed within the prescribed time period.

SEBI through its Press Release dated December 3, 2018 has prescribed that with effect from April 1, 2019; requests for effecting transfer of securities (except transmission or transposition cases) shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, we request you to convert your shareholdings from physical form to Demat form at the earliest, in existing demat account or new demat account to be opened with any Depository Participant.

8. Reconciliation of Share Capital Audit Report

A qualified practicing Company Secretary, M/s Ashish Kumar Friends & Co., Delhi carries out quarterly audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital and the same was submitted to the Stock Exchanges within the stipulated time.

9. Distribution of Shareholding

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2021

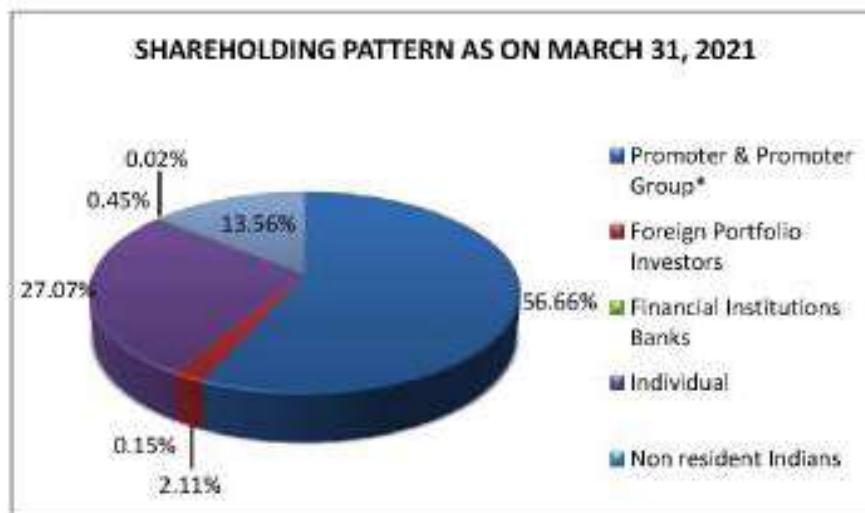
| Shareholding of Nominal Value (in Rs.) | Number of shareholders | % to Total shareholders | Total Shares | Amount (in Rs.) | % of shares |
|--|------------------------|-------------------------|-----------------|------------------|---------------|
| 1-5000 | 10665 | 73.496 | 1781996 | 17819960 | 3.550 |
| 5001 - 10000 | 1749 | 12.053 | 1466920 | 14669200 | 2.922 |
| 10001 - 20000 | 974 | 6.712 | 1526973 | 15269730 | 3.042 |
| 20001 - 30000 | 405 | 2.791 | 1039704 | 10397040 | 2.071 |
| 30001 - 40000 | 187 | 1.289 | 673014 | 6730140 | 1.341 |
| 40001 - 50000 | 150 | 1.034 | 707295 | 7072950 | 1.409 |
| 50001 - 100000 | 219 | 1.509 | 1577579 | 15775790 | 3.143 |
| 100001 and above | 162 | 1.116 | 41423855 | 414238550 | 82.522 |
| Total | 14511 | 100.00 | 50197336 | 501973360 | 100.00 |

SHAREHOLDING PATTERN AS ON MARCH 31, 2021

| S. No. | Category of Shareholders | No. of Shareholders | No. of Shares | Percentage |
|--------|------------------------------|---------------------|-----------------|------------|
| 1 | Promoter & Promoter Group* | 5 | 28440111 | 56.66 |
| 2 | Foreign Portfolio Investors | 1 | 1059239 | 2.11 |
| 3 | Financial Institutions Banks | 1 | 2329 | 0.02 |
| 4 | Individual | 14350 | 13588163 | 27.07 |
| 5 | Non resident Indians | 53 | 225500 | 0.45 |
| 6 | Clearing Members | 38 | 76816 | 0.15 |
| 7 | Bodies Corporate | 63 | 6805178 | 13.56 |
| | Total | 14511 | 50197336 | 100 |

***Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group" as on March 31, 2021**

| S. No. | Name of Promoter | Total Shares held | |
|--------|----------------------------------|-------------------|----------------|
| | | Number | Percentage (%) |
| 1. | Vanya Jain | 5019565 | 10.00 |
| 2. | Utkarsh Jain | 3798114 | 7.57 |
| 3. | Sunil Kumar Jain | 0 | 0 |
| 4. | NECC Securities Private Limited | 7656880 | 15.25 |
| 5. | NECC Automobiles Private Limited | 8334152 | 16.60 |
| 6. | Suvi Developers Private Limited | 3631400 | 7.23 |



10. Dematerialization of Shares and Liquidity

The shares of the Company is under process of dematerialized segment and available for trading under systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The names and addresses of the Depositories are as under:

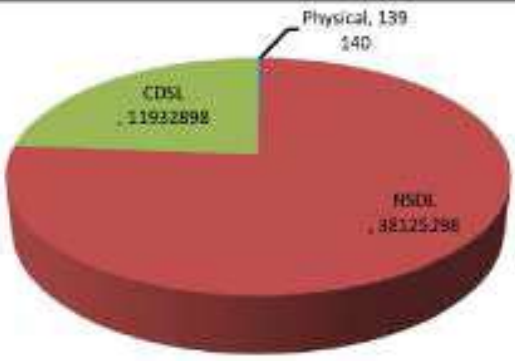
| | |
|--|--|
| <p>National Securities Depository Limited Trade World, 4th Floor, Kamala Mills Compound Senapathi Bapat Marg, Lower Parel, Mumbai-400 013 Tel: +91-22-2499 4200 Toll free Number: 1800 222 990 E-mail ID: relations@nsdl.co.in, info@nsdl.co.in Website: www.nsdl.co.in</p> | <p>Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25th Floor NM Joshi Marg, Lower Parel Mumbai-400013 Tel: +91-22-2305 8640/8624/8639/8642/8663 Toll free Number: 1800 22 5533 E-mail ID: helpdesk@cdslindia.com, complaints@cdslindia.com Website: www.cdslindia.com</p> |
|--|--|

Further, Shareholders who continue to hold shares in Physical form are advised to dematerialize their shares at the earlier. As mandated by SEBI the requests for effecting transfer of listed securities shall not be processed unless the securities are held in the dematerialized form with a depository participant. Members holding shares in physical mode are also required to submit their Permanent Account Number (PAN) and bank account along with the cancelled cheque bearing the name of shareholder or copy of bank passbook / statement attested by Bank to the Company / RTA, if not registered with the Company, as mandated by SEBI.

The details of number of shares held in dematerialized and physical form as on March 31, 2021 was as under:

| Category | Number of Shareholders | Number of Shares |
|--------------|------------------------|------------------|
| Physical | 95 | 139140 |
| NSDL | 6098 | 38125298 |
| CDSL | 8429 | 11932898 |
| Total | 14622* | 50197336 |

**Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, 111 holders are common in Demat & physical.*



11. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity.

No GDRs/ADRs/Warrants or any Convertible Instruments have been Issued by the Company.

12. Annual Listing fees to Stock Exchanges

The Company has paid Annual Listing Fees for the financial year 2021-22 to National Stock Exchange of India Limited and BSE Limited in relation to its listed securities.

13. Annual Custodial Fees to Depositories

The Company has timely paid the annual custodian fee for financial year 2021-22 to NSDL and CDSL.

14. Statutory Auditor Fees

The total fees paid by the Company to statutory auditors for all the services during the financial year 2020-21 is Rs.3 Lakhs.

15. Plant Locations

As a Company is a Transport & Logistics Company, it does not have any plant unit. However, apart from Registered and Corporate Office, the Company has 250 Branch offices including Branch Offices etc.

16. Address for Communication/Correspondence

North Eastern Carrying Corporation Limited
 NECC House, 9062/47, Ram Bagh Road, Azad Market, Delhi-110006
 Ph: 011-23517516-19, Fax: 011-23527700
 Email ID: cs@neccgroup.com/slyadav@neccgroup.com
 Website: www.neccgroup.com

Shareholders are requested to quote their Folio No./ DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its RTA.



17. Compliance Officer and Public Spokesperson

Ms. Mamta Bisht

Company Secretary & Compliance Officer

NECC House, 9062/47, Ram Bagh Road, Azad Market, Delhi-110006,

Ph: 011-23517516-19, Fax: 011-23527700

Email ID: cs@necgroup.com

For and on behalf of the Board of Director of
North Eastern Carrying Corporation Limited

Place: Delhi

Date: September 04, 2021.

Sd/-

(Sunil Kumar Jain)
Chairman and Managing Director
DIN: 00010695

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and clause (i) of Point (10) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members
North Eastern Carrying Corporation Limited
NECC House, 9062/47, Ram Bagh Road,
Azad Market, Delhi-110006

I have examined the relevant registers, records, forms, returns maintained by the Company and the disclosures received from the Directors of NECC Limited bearing CIN: L51909DL1984PLC019485 and having its Registered Office at NECC House, 9062/47, Ram Bagh Road, Azad Market, Delhi-110006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause (i) of Point (10) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below, for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such other Statutory Authority:

| Sl. No. | Name of Director | Director Identification Number (DIN) |
|----------------|-------------------------|---|
| 1 | Mr. Sunil Kumar Jain | 00010695 |
| 2 | Mr. Utkarsh Jain | 05271884 |
| 3 | Mr. Manoj Kumar Jain | 01887411 |
| 4 | Mr. Mohak Jain | 02525330 |
| 5 | Mr. Utsav Jain | 01609344 |
| 6 | Mrs. Reena Gupta | 06966728 |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Date: September 04, 2021

For A.K. FRIENDS & CO.
Practicing Company Secretaries

Sd/-
ASHISH KUMAR FRIENDS
Proprietor
C.P. No.: 4056
Membership No.: FCS 5129

COMPLIANCE CERTIFICATE BY CEO/CHIEF FINANCIAL OFFICER

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors

North Eastern Carrying Corporation Limited

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of North Eastern Carrying Corporation Limited ("the Company"), to the best of our knowledge and belief, certify that:

- i. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief, we state that:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. 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.
- ii. We further state that to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- iii. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes, if any, in internal control over financial reporting during the year;
 - b) significant changes, if any, in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which they have become aware and the involvement, therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Delhi

Date: September 04, 2021

**Sd/-
Sunil Kumar Jain
(Chairman & Managing Director)
DIN: 00010695**

**Sd/-
Shyam Lal Yadav
(CFO & VP)**

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
North Eastern Carrying Corporation Limited

I have examined the compliance of conditions of Corporate Governance by the North Eastern Carrying Corporation Limited for the financial year ended on 31st March, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

Place: New Delhi
Date: September 04, 2021

For A.K. FRIENDS & CO.
Practicing Company Secretaries

Sd/-
ASHISH KUMAR FRIENDS
Proprietor
C.P. No.: 4056
Membership No.: FCS 5129

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Pursuant to Regulation 34 read with the Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

COVID-19 is a humanitarian crisis on a global scale. The virus continues to spread throughout the globe, placing health systems under unprecedented stress in the battle to save lives. The human scale of this tragedy is set to worsen as the virus spreads to lower income countries with weaker healthcare systems. The year 2020-21 was unprecedented due to the outbreak of the Covid-19 pandemic which also turned out to be an unmatched socio-economic crisis leading to disruptions across the world. The subsequent actions to contain the spread such as stringent lockdowns and the restrictions on logistics across the interconnected world brought everything to a halt. On the one hand, consumer sentiments were affected amidst the uncertainty impacting the demand led by a number of factors ranging from layoffs, salary cuts to higher spend on healthcare. On the other hand, the supply side witnessed the loss of productivity due to the reverse migration of labor, unavailability of raw material owing to transport restrictions, and higher spread of infections.

While Covid-19 impacted economic and commercial activities, offices shut because of the pandemic-induced lockdowns ordered by the Governments, and the world adjusted to working from home (WFH). Businesses spent much of the past year trying to adapt to the extraordinary circumstances of "The New Normal."

BUSINESS ENVIRONMENT

➤ **Global Business Overview**

The year 2020 was marked by crisis, instability, and doubts across the globe because of the pandemic. This shut down the economy and almost sidelined small businesses. The second quarter of 2020 was majorly about debt distress, job loss, pay cuts, supply and demand shocks. Most Governments responded by declaring fiscal stimulus, while central banks around the world started lowering the interest rates to inject liquidity into the economy. Interestingly, Asian countries stood firm compared to their western counterparts because of their inherent resilience.

In the third quarter of 2020, economic activities in Asian countries like China, India, Indonesia, Vietnam, and South Korea picked up. It was majorly driven by strong demand for the region's exports. Similarly, the US, UK, Canada, and Germany started posting positive GDP numbers. Several nations posted better GDP numbers compared to previous quarters. Presently, we are looking at a positive outlook for 2021, and it is estimated that the global economy will grow at the rate of around 5.5%. While the emerging markets and developing economy is projected to grow at a considerably faster rate of 6.3%, the strength of the recovery is likely to differ significantly across countries. This would depend on access to medical interventions, the effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics. Lately, it has been observed that despite the vaccination drives, a few nations have witnessed a rise in COVID-19 cases. This would inevitably result in another downward spiral for the economy.

➤ **Indian Business Environment**

The FY 2020-21 was particularly shaky for the Indian economy because of the lockdowns and therefore they reduced the magnitude of the infected peak and led to a low mortality rate, but the Indian economy witnessed a significant slowdown across sectors as GDP fell to (23.90)% in the Q1 of FY 2020-21. The gradual easing of lockdown, along with effective monetary and liquidity measures adopted by the Reserve Bank of India (RBI) and Government of India (GOI), brought in hope for a V-shaped recovery. The growth in Indian GDP for the FY 2020-21 is estimated at (7)% as compared to the growth rate of 4.2% in FY 2019-20. Utilities, pharmaceuticals, diagnostics, consumer goods and durables, agrochemical, and fertilizers sector were among the few that performed better during the fiscal. The recovery scale would determine the sustainability of the Government's higher fiscal deficit and debt between medium and long term. The second wave of the virus could dampen the estimated growth prospects and also dent consumer and corporate confidence.

➤ The Impact of Covid 19 in Global Transport Sector

1. Civil Aviation:

The civil aviation industry has been among the most severely hit sectors globally. Although the media has extensively covered the issue, the future remains unclear. The International Civil Aviation Organisation (ICAO) actively monitor the economic impact on the industry and regularly publishes reports and forecasts

Focusing on the Middle East: IATA has released new data showing the impact of Covid 19 on the Middle East aviation industry and its economics that is caused by the shutdown of the air traffic. Job losses in the aviation sector will reach 1.5 million. That is more than half of the region's 2.4 million aviation related employment. Full-year 2020 traffic is expected to decline by 56% comparing to 2019. The region's GDP supported by aviation will continue to fall by up to \$85 billion as the previous estimate was \$66 billion

2. Maritime Sector:

The shipping industry has largely proved resilient to the Covid 19 outbreak. Despite the current difficult times, a vast majority of ports have succeeded to stay open to cargo operations. However, most of them still remain closed to passenger traffic. Despite the disruptions at ports and to crew changes the shipping industry has largely continued to operate around the world, facilitating the movement of essential supplies and medicines that are needed to keep countries running and to deal with the global public health crisis.

The Mediterranean Sea has been a critical maritime and commercial route for millennia. it is home to 87 ports of various sizes and strengths, serving local, regional and international markets. Commercial shipping transports around 80 % of global trade, and intra-Mediterranean maritime trade flows account for nearly 25% of global traffic volume. The COVID-19 pandemic has highlighted the vulnerability of maritime networks, port efficiency, and hinterland connectivity in the Mediterranean to crisis situations

Governments have been encouraged to grant all seafarers, fishers, offshore energy workers, and aviation and airports workers exemptions from national travel- and health-related restrictions in order to facilitate the resumption of crew changes on ships and aircraft, and in airports and cargo facilities.

3. Road Transport Sector:

The road transport sector is essential to social and economic development and guarantees mobility across countries. Road freight transport services ensure the supply of essential goods, including food and medical supplies, as well as a vast range of materials upon which businesses and consumers depend. The road transport sector not only makes an important contribution to economic growth and job creation, but also prevents shortages of essential goods. Road transport in some countries has been declared an essential service.

In order to control the spread of COVID-19, many countries around the world have placed restrictions on domestic transit and/or closed border crossings for road freight transport services.

Shortages of essential goods or higher prices can affect the most vulnerable in society (including women, the elderly and informal workers). Urgent action by governments, the social partners and parties to road transport supply chains – including shippers, receivers, and transport buyers- will be critical in addressing decent work challenges for these key workers to tackle the present and future crises effectively.

• **Public Transportation**

During the first wave of Covid 19, the demand on oil has significantly dropped to more than 50% due to the closure that the world has witnessed. The pandemic has impacted public transport dramatically in general and ways of mobility specifically, as the new regulations that have been put in place interfered with the number of passengers using public transportation. The number of passengers entering public transportation waiting stops is so limited, sharing taxis is prohibited, and installing protective screens between driver and passenger became necessary. Covid 19 has put many obstacles in the way of public transport agencies and its

workers. Thus, these companies find themselves incapable of paying drivers their wages, finance their commitments, and secure the operational expenses.

4. Railways Sector:

During lockdowns and mobility restrictions, governments made it clear that rail is an essential service that has to maintain a minimum level of service. The restrictions on rail operations varied from one country to another depending on the procedures they have made to halt the spread of the Corona virus.

Rail freight was essential in providing commodities such as food, coal, and health related materials (e.g. medicine, PPEs etc) to communities during the lockdowns. Despite all this, overall freight traffic has been reduced during the Covid 19 pandemic.

Restrictions on services and individual's movement on the global level combined with authorities' advice to not travel have led to a decrease of passenger volumes of approximately 80% for all national rail services during lockdowns. For international rail passenger services, the passenger volumes have dropped by almost 100% for all operators, in line with international passenger border closures. For freight operations, the volumes have been hit with an average estimated loss of between 10 -15% for most operators. An estimation conducted by UIC shows the full year passenger demand is expected to decline up to 30% in revenues compared to 2019 while the freight sector is expected to decline an average of 10% in revenue compared to a year-ago period. This amounts to around \$125 billion for years 2020 and 2021 for a crisis which may last several years according to some economic projections.

➤ The Impact of Covid 19 in Indian Transport Sector

The coping mechanism to tackle COVID-19 varied from state to state. MHA had issued several guidelines which were inclusive of physical distancing and mandatory wearing of masks. For instance, the capital city of Delhi had proposed several guidelines for movement of people in public transport in official as well as commercial complexes inclusive of physical distancing within public transport, curtailing of transit services and halting of metro services. In the case of Delhi metro (spanning a total length of 387 Kms) which got reopened on 9.9.2020 during the ongoing unlock 9.0, the ridership level is around 100,000 per day which is far lower than 480,000 per day during the pre-COVID level peak ridership. This could be attributed to both the physical distancing norms restricting the number of passengers per train as well as the fear psychosis which is still embedded in the minds of commuters about using the public transport.

The succeeding sections will throw light on the status of the various forms of transport sectors in some of the Indian states and cities during COVID-19 and its impacts.

1. Airline Sector

Domestic airlines reported a 33 % decline in the number of passengers flown in March 2020 by reporting a figure of 7.762 million, as compared to 11.6 million flown during the same period previously [Source: Directorate General of Civil Aviation (DGCA), GoI]. It is estimated that by the last quarter of the current fiscal year, the Indian aviation industry is likely to report reduction to the tune of 3 to 14 % in the domestic passenger traffic (ICRA report). However, the domestic airlines in India opened at a lower capacity by registering a total of only 21,696 departures in June 2020 as against 86,456 departures in June 2019, resulting in 74.9 % reduction year-on-year in capacity deployment comparison. It is hoped that the trend would change for the better in the coming as airlines are expected to resume normal operations during the festive season starting from October, 2020. For instance, in the month of June 2020, the domestic passenger traffic was a mere 1.95 million as against 11.2 million in June 2019 and thus registering massive reduction of 83.7 % over the year-ago period. Similarly, the average number of passengers per flight i.e. load factor during June, 2020 was only 90, as against an average of 139 passengers per flight in June 2019

Since 7th May 2020, Indian aviation industry has been ordered by the DGCA to operate International Flights under the name of 'Vande Mantaram' are operated for dual purposes. One is bring back the stranded Indians

abroad and secondly in terms of repatriation / going for job / business purposes of the stranded passengers back to their home country by entering into a bio-bubble agreement with more than 50 countries across the globe. Other than the above, no international services are being allowed till 30.9.2020.

Based on the above data and analysis, it is evident that the number of domestic passengers carried in the first two quarters of 2020 i.e. till 30.6.2020 reduced by almost half, dropping from 70.7 million in 2019 to 35.2 m in 2020.

2. Railway Sector

Indian Railways had cancelled all passenger train services since the start of the lockdown 1.0 to control the spread of COVID-19 cases in the country. This implied that all the daily 13,500 passenger trains (*both passenger and mail or long-distance trains*) of Indian Railways as well as all forms of suburban trains and metro operations in metropolitan cities were halted since 25th March, 2020.

However, the ban was not applicable to cargo trains from day one. This is to ensure that the important supplies reach the different parts of the country. Indian Railways primarily operated about 9000 number of goods trains during the lockdown period till 31st May, 2020

Since, 1st May, 2020, Shramik Special trains were started by the Ministry of Railways after receiving the nod from Gol to ferry stranded migrant workers to their native states amid the COVID-19 lockdown. As such, 4,286 Shramik Special trains carrying over 5.8 million migrants were operated to their destined places till 31st May, 2020 by plying 4155 such special trains. However, the demand for these trains has decreased from 250 to about 137 per day in the month of June, 2020. Further, to discourage unnecessary travel and to prevent the vulnerable category of senior citizens from undertaking unnecessary travels, concessional booking of all tickets except patients, students and Divyangjan i.e. differently-abled category were suspended since 20th March 2020

3. Bus Transport and Metro System

It is to be borne in mind that the Indian population has less than 1 bus for every 10,000 citizens whereas developed countries like USA, UK, Australia and Japan have more than 2 buses for every 1,000 citizens which leads to overcrowding in Indian buses. As mentioned earlier, metro operations have been grounded in Indian cities since the start of the lockdown, the bus sector came to the rescue for the travel of essentials service workers. However, COVID-19 induced lockdown and additional measures such as physical distancing and need for frequent cleaning has put an additional financial burden on the bus operators which risks the long-term sustainability of the sector. So where do buses stand now and going forward? This will be discussed in the succeeding section.

4. Trucking and Logistics Sector

Since the 2nd and 3rd day of lockdown in March, 2020 i.e. *during Lockdown 1.0*, the commodity traffic movement across the country reduced by as high as 90 to 95 % excepting the transport of essential commodities. Since the end of May, 2020, there was respite in the form of allowing the movement of all types of cargo movement across the country.

In this regard, CSIR - CRRI and other studies has highlighted several game changing plans for authorities to ensure seamless mobility during the ongoing crisis situation due to COVID-19 and post COVID-19. To summarize, the following aspects are suggested for implementation:

- ✓ Rebuild public confidence in safe public transport with stringent implementation of hygiene and physical distancing measures.
- ✓ Design reform based fiscal package and fiscal instruments to support revival of transit systems and reduce cost burden on bus-based systems.
- ✓ Allocate more protected lanes to buses to maximize fleet utilization and carrying capacity.

- ✓ Implement long term strategies to augment integrated public transport and services.
- ✓ Adopt measures like work from home, staggered timing etc to reduce unnecessary travel trips and move short trips to walking and cycling as much as possible
- ✓ Need for emergency scaling up of protected footpaths and cycle lanes with flexible barriers to enable all income groups to access workplace and meet other needs within a reasonable radius.

OPPORTUNITIES & EMERGING TRENDS IN TRANSPORT SECTOR

With growing competition in the transportation sector, involved companies should deploy new existing technologies and extensively improve the quality of their services to remain in the business. A crucial element in the global movement of goods and people, the transportation industry is hurting right now. As company leaders work to effectively respond to crisis and build transportation industry resilience post-COVID-19, they are presented with a dramatic opportunity to remake their organizations and perhaps the sector as a whole.

Trend #1: Cloud-Based Systems Adoption

One of the biggest transport industry trends for 2021 is cloud-based systems adoption, since the platforms in the cloud force a software-as-a-service (SaaS) model which opens unlimited opportunities for companies scalability and innovative digital resources usage. It allows reaching higher profitability and exceeding the common returns of on-premise systems' capabilities.

Trend #2: Integrated, Frictionless Travel

The necessity to make travel more smooth and hassle-free is mostly manifested through the rise of mobility-as-a-service (MaaS). However, the number of new trends in the transportation industry, combined and aimed at minimal stoppages or checkpoints result in this one key drift to integrated travel and transportation. The minor tendencies are optimization of the infrastructure, creation of the mobility hubs for multimodal transportation, building platforms for ticketless travel, and introduction of the innovations in micromobility and last-mile connections.

Trend #3: Visibility and Anti-Theft GPS

Today E-Commerce, retail, and logistic companies are getting focused on the increased visibility, thus, tracking technologies adoption and adjustment for increased traceability are among the major driving trends in the transportation industry this year. Anti-Theft GPS, for instance, is a means to receive near real-time locations for entire fleets and separate items in transit. The extra security protocols will also help avoid losses across the board.

Trend 4: Regulation Compliance

It will be more correct to say that regulatory compliance is a must rather than one of the latest trends in transportation. Commercial transport companies should stay up-to-date on recent requirements and regulations adopted, changed, or removed by any local, state, or federal government. Whether they are regulations regarding electronic logbooks, overtime, or safety rules, timely monitoring regulations will always be a trend.

Trend #5: Address Delivery

The growth of E-commerce businesses leads to a rising demand for address deliveries. Providing better service means being more competitive. Heavy trucking businesses should consider adding a fleet of small vehicles to conquer a bigger piece of the market. Therefore, optimization of the last mile deliveries is one of the transport and logistics industry trends of 2021.

Trend #6: Drone Delivery

Within a last-mile delivery focus tendency among both retailers and transportation companies, some companies already deliver packages to the citizens and companies by drones. At the end of 2016, Amazon first delivered an order to its customer using a drone. This delivery was conducted in England within Amazon's new program called Prime Air which implied that a customer could get a package in 30 minutes. After Amazon's success, various companies started investing in drone delivery to increase the cost-effectiveness of their business and customer experience as well.

In the EON of COVID-19 the contactless address delivery became the most popular and required of all the present-day transportation industry trends. It motivated even more companies to turn their eyes to this delivery option and start adopting it.

CHALLENGES IN TRANSPORT SECTOR

Experts in transport are incredibly concerned with the speed at which innovation is evolving. Technology is taking over like a disease. This has seen various logistics businesses struggle to keep up with the levels of developments in technology.

As digital disruption and innovation become critical parts of the entire strategy for many businesses, a lot needs to change. The role of supply chain and logistics needs to alter to capitalize on the value of any digital investment an organization establishes.

1. Transportation Challenges

Transportation by road is the primary mode of freight cargo transportation in India. Nearly 60% cargo moves by road. Owing to over-saturated rail networks and high rail tariffs, a mere 32% cargo moves by rail. Although majority of the supply chain moves by road, it is not without a fair amount of hiccups. Road transportation proves to be quite inefficient because of poor road infrastructure, multiple checkpoints, and congestion.

2. Bulk Order Intensity Ratio

Keeping up with bulk order timelines is a herculean task for transportation companies. Every Indian Transportation Company in the Logistic Sector has faced the exhausting issue of keeping up with the supply-chain timeline in the event of receiving bulk load of orders. In the instance of high volume of orders received, it often gets difficult to prioritize and juggle orders and deliveries on an extremely tight timeline. This challenge gets aggravated when the company has limited resources, owing to the difficult payment cycles. Festival time is the best example of mass delays in delivery schedules, when an overall failure of the ETA mechanism can be observed.

3. Hike in Fuel Cost

Fuel cost is one of the biggest challenges faced by the transportation companies in the Indian logistic sector. The inflation in fuel prices results in increase of transportation costs to the shippers. Rise in fuel prices constantly increase the surcharges added to freight rates. This naturally cuts down the revenue and earnings of truckers, as fuel prices increase.

4. Unforeseen Delays in Transportation

The varied terrain and diverse travel and weather conditions in India, create an unreliability in the transportation industry, owing to the high probability of unforeseen conditions. Even when the packaging and drops are conducted on schedule, the transportation industry is often challenged by delays. Mainly because India is a huge country, covering different terrains, subject to different conditions. Also, roads are terrible in the remote, internal parts of the country and Ghats are prone to accidents and landslides.

Traffic congestions, multiple checkpoints, and toll stations add to the woes. This translates into the Logistics companies losing out on a lot of time and money. In a nutshell, even after taking into consideration extra delays, more unforeseen delays cannot be ruled out.

5. Dearth of Skilled Personnel

The Indian Logistics sector faces an alarming lack of skilled manpower and specialized personnel. With the advent of modern technology, there is a keen requirement for technically skilled labor. However, the laborers are under-skilled, over-worked and lack the desired skill-set to make the process efficient. Also, to save on capital, companies compromise on the training and payment of their logistics staff. Resultantly, these companies face the problem of high labor turnover, increased training costs and under-performing human resource.

6. Pitiabale Warehousing Conditions

Another major challenge is storage. The unfortunate plight of pitiabale warehousing facilities in India is no secret. Cargos incur immense damage owing to pest-infested warehouses, damage due to leakages, lack of proper storage space, and much more. This is most predominant in case of low margin goods and cargo. Also, the Governments use the big warehouses to store grains, leaving very little space for cargo storage.

7. Inadequate and Overstressed Delivery Staff

Overstressed delivery staff is a grave challenge faced by the supply chain of the Indian logistic sector. Every transportation company in India faces the problem of employing and retaining their delivery staff. The industry faces a shortage of delivery personnel, leading to the workloads of multiple time-bound deliveries being placed on the current workers. This obviously leads to them getting burnt out and discouraged with the pressure and with overwork.

RISK MANAGEMENT AND CONCERNS

Internal Control Systems and their adequacy

The Company has an effective and reliable internal control system commensurate with the size of its operations which are constantly assessed. The efficacy of the internal checks and control systems is validated by internal as well as statutory auditors. The Audit Committee reviews the internal audit plan, adequacy and effectiveness of the internal control system. It also reviews functioning of the Whistle Blower mechanism and monitors the action taken on the cases reported. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. The Audit Committee of Directors periodically reviews the significant findings of audits, as prescribed in the Companies Act, 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Risk Management

Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

The Company however faces the following risks:

- **Competition Risk:** This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational players. However, NECC has established strong brand goodwill in the market and a strong foothold in the entire logistics value spectrum.
- **Regulatory Risk:** If we are unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected. However, the Government has come up with a number of initiatives to boost the logistics sector and has planned massive investments in the infrastructure sector. As all industry predictions suggest that this will be the trend in the future as well and given our own experience in obtaining such permissions, we do not expect this risk to affect us materially in the coming years.

- **Liability Risk:** This risk refers to our liability arising from any damage to cargo, equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

As a diversified enterprise, your Company continues to focus on a system-based approach to business risk management. A strong and independent Internal Audit function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk management processes may need to be strengthened.

OPERATION AND FUTURE OUTLOOK (ABOUT NECC)

North Eastern Carrying Corporation Limited, part of NECC Group, is a leading giant founded in 1984, the Company started the business of core transportation & carriage of goods in FTL segment in 1999-2000. Since then it never looks back and achieved its target turnover for the Financial Year 2019-20.

NECC is an integrated logistics solutions provider with presence pan India, Nepal and with an operational set up in Bhutan and Bangladesh:

- Presence of over 4 decades. Leadership: Second and third generation promoters -Mr. Sunil Jain and Mr. Utkarsh Jain
- Proven capabilities in Part Truck Load (PTL) and rail logistics for all types of materials:
- Owning a fleet of 150 trucks
 - All trucks equipped with GPS tracking
 - Customized vehicles based on customer requirements
- Booking offices across the country and Nepal, servicing multiple routes with warehousing
 - 250 offices across 29 states and 4 countries- India, Nepal, Bhutan and Bangladesh
- Warehousing of 1.5 million sq feet - includes owned and leased under management
- Working with leading companies in the FMCG, Paper, Pharma, Automotive, Textile, Chemicals, Steel and Telecom sector
- Established track record of providing flexible, responsive and timely delivery services to our clients
 - Demonstrated by being chosen by several leading companies to undertake repeat business over several years

HUMAN RESOURCE/INDUSTRIAL RELATIONS

We truly believe that NECC's biggest strength is its people, fondly called as NECC'ites, and is the single most important factor to ensure sustainable business growth and become 'Future Ready'. This is why we have a relentless focus on strengthening our talent management and employee engagement processes. As on March 31, 2021, the Company's total manpower stood at 485 employees which include Executives and Non-Executives.

For effective and meaningful Human Resource management at NECC, we concentrate on all aspects of the employee lifecycle to provide a holistic experience to the NECC'ites. During their tenure with NECC, a NECC'ite is motivated through various skill development interventions, including job rotations, customized training programme and engagement and volunteering programs. We also strived to be more open, transparent and objective in our people processes. We encourage debate and open dialogue on various processes directly impacting NECC'ites which helps us to develop and improvise our people strategy for future.

The Industrial Relations of the Company too, continued to be on a cordial note. There was no loss of man-days on account of industrial unrest. Further, there are regular interactions between the management and the employees, thereby fostering an atmosphere of trust and cooperation.

Internal policies

The leadership competency framework for the organisation has been fully integrated with various HR processes. A functional competency framework for all the different functions in the Company has been developed; it is now being used to create learning academies and drive excellence in each function. To enable people to take up the higher responsibilities, the transition programmes have been made more relevant and robust. Learning needs have been addressed during FY 2020-21 through new programmes in the areas of strategy, execution and critical thinking.

Our people practices have received recognition at different forums and we are committed to provide professional and enabling working environment at all levels envisaging a boundary less workplace, ensuring free flow of ideas and information through unified organisation structure and defined processes. We are a non-discriminating employer ensuring our HR and CSR initiatives are devoid of any prejudices protected by law. Our affirmative actions include actively hiring women candidates, support hiring of differently abled and other CSR initiatives which touches more than 15000 lives.

CAUTIONARY STATEMENT

Certain statements in "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook.

**On Behalf of the Board of Director of
North Eastern Carrying Corporation Limited**

**Sd/-
(Sunil Kumar Jain)
Chairman and Managing Director
DIN: 00010695**

**Place: Delhi
Date: September 04, 2021**



Raj Achint & Associates

Chartered Accountants

3073, 1st Floor, Near Goicha Cinema,

Darya-Ganj, New Delhi-110002

Tel: 011-47751187, Mobile: 9810264628

E-mail: raj@rajca@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTH EASTERN CARRYING CORPORATION LIMITED

I. Report on the Audit of the Standalone Financial

Statements

| | |
|---|--|
| 1. Opinion | |
| A. | We have audited the accompanying Standalone Financial Statements of North Eastern Carrying Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements"). |
| B. | In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date. |
| 2. Basis for Opinion | |
| | We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements. |
| 3. Information Other than the Standalone Financial Statements and Auditor's Report Thereon | |
| A. | The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. |
| B. | In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to |



report that fact. We have nothing to report in this regard.

4. Management's Responsibility for the Standalone Financial Statements

A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

B. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

A. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system



| | | |
|--|----|--|
| | | in place and the operating effectiveness of such controls |
| | | iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management |
| | | iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern |
| | | v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation |
| | C. | Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements. |
| | D. | We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit. |
| | E. | We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. |
| | F. | From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication |

II. Report on Other Legal and Regulatory Requirements

| | | |
|----|--|---|
| 1. | As required by Section 143(3) of the Act, based on our audit we report that: | |
| | A. | We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit |
| | B. | In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. |
| | C. | The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account |



| | |
|----|---|
| D. | In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 |
| E. | On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act. |
| F. | With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting. |
| G. | With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. |
| H. | With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us: |
| | i) The Company has disclosed the impact of pending litigations, if any on its financial position in its Standalone Financial Statements |
| | ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. |
| | iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company |
| 2. | As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order. |

For and on behalf of
Raj Achint & Associates
Chartered Accountants

Firm's registration number: 022023N



Raj Kumar Jain
Proprietor
M. No. 087941
NDIN: 21067941AAAHT7892

Place: Delhi
Date: 30.06.2021

NORTH EASTERN CARRYING CORPORATION LIMITED

Annexure A to the Independent Auditor's Report of even date on the Financial Statements of North Eastern Carrying Corporation Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of North Eastern Carrying Corporation Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
Raj Achint & Associates
Chartered Accountants
Firm's registration number: 022023N



Kumar Jain
Proprietor
No. 087941

Place: Delhi
Date: 30.06.2021

NORTH EASTERN CARRYING CORPORATION LIMITED

Annexure B to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2021.

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we further state as under:

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets.
(b) All the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
(c) The title deeds of immovable properties are held in the name of the company.
2. The company is not dealing in any physical inventory and therefore there is no question of physical verification of inventory.
3. (a) The company has not granted any loans, secured or unsecured, to the companies, firms or other parties covered in the register U/s. 189 of the Companies Act, 2013.
(b) As the company has not granted any loans, the terms and conditions of the grant of such loans being prejudicial does not arise.
(c) As the company has not granted any loans, no schedule of repayment of principal and interest has been stipulated.
(d) As the company has not granted any loans, there are no overdue amounts.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments guarantees and security.
5. The Company has not accepted any deposits from the public. Therefore, the directive issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under does not arise.
6. As informed to us, maintenance of cost records has not been prescribed by the Central Government U/s. 148(1) of the Companies Act, 2013.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company is regular in depositing undisputed statutory dues within in the prescribed time to the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us, there are no statutory dues which have not been deposited on account of any dispute
8. According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or banks.
9. According to the information and explanation given to us, the moneys raised during the year, by way of term-loans/ IPOs, were applied for the purpose for which those were raised.
10. Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and nor any fraud on the company by its officers or employees has been noticed or reported during the year.
11. Based on the audit procedures performed and the information and explanations given by the management, Managerial Remuneration has been paid or provided in accordance with provisions of Companies Act, 2013.
12. In our opinion, the company is not a Nidhi company within the meaning of relevant law.
13. Based on the audit procedures performed and the information and explanations given by the management, all transactions with related parties are in compliance with section 188 of the Companies Act, 2013 and requisite details have been disclosed in the financial statements as required by the applicable accounting standards.
14. Based on the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or partly convertible debentures u/s 42 of the Companies Act, 2013 during the year.
15. Based on the audit procedures performed and the information and explanations given by the management, the company has not entered in to any non-cash transaction with directors or others in contravention of section 192 of the Companies Act, 2013.
16. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of
Raj Achint & Associates
Chartered Accountants
Firm's registration number: 022023N



Raj Kumar Jain
Proprietor
M. No. 087941

Place: Delhi
Date: 30.06.2021

NORTH EASTERN CARRYING CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021

| PARTICULARS | Notes | As At 31.03.2021 Amt. in Rs. | As At 31.03.2020 Amt. in Rs. |
|---------------------------------------|-------|------------------------------------|------------------------------------|
| (1) Non-current assets | | | |
| (a) Property, Plant and Equipment | 4 | 9,02,38,326 | 11,41,89,661 |
| (b) Intangible assets | 5 | 4,80,36,600 | 5,33,74,000 |
| (c) Financial Assets | | | |
| (i) Loans | | | |
| (d) Deferred Tax Assets | 6 | 2,91,68,267 | 3,00,57,277 |
| | | <u>77,34,296</u> | <u>84,43,645</u> |
| | | <u>17,51,77,491</u> | <u>20,40,64,783</u> |
| (2) Current Assets | | | |
| (a) Financial Assets | | | |
| (i) Investments | | 0 | 0 |
| (ii) Trade receivables | 7 | 104,33,43,463 | 115,34,61,784 |
| (iii) Cash and cash equivalents | 8 | 5,53,04,118 | 5,59,34,207 |
| (iv) Other Bank balances | | 0 | 0 |
| (v) Loans | 9 | 89,00,91,347 | 58,13,48,333 |
| (b) Other current assets | | 0 | 0 |
| | | <u>178,87,38,928</u> | <u>179,07,44,324</u> |
| Total Assets | | <u><u>196,39,16,419</u></u> | <u><u>199,48,09,107</u></u> |
| EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Share Capital | 10 | 50,19,73,360 | 50,19,73,360 |
| (b) Other Equity | 11 | 44,52,31,041 | 43,09,29,827 |
| | | <u>94,72,04,401</u> | <u>93,29,03,187</u> |
| Liabilities | | | |
| (2) Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 12 | 1,58,38,369 | 3,70,75,742 |
| | | <u>1,58,38,369</u> | <u>3,70,75,742</u> |
| (3) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13 | 84,57,41,945 | 72,41,14,165 |
| (ii) Trade Payables | 14 | 3,98,40,542 | 5,80,91,131 |
| (b) Other Current Liabilities | 15 | 7,35,76,812 | 10,12,29,995 |
| (c) Provisions | 16 | 4,18,14,351 | 14,13,94,886 |
| | | <u>100,07,73,650</u> | <u>102,48,30,178</u> |
| Total Equity & Liabilities | | <u><u>196,39,16,419</u></u> | <u><u>199,48,09,107</u></u> |

Significant Accounting Policies

1,2,3

The Notes No. 1 to 36 are integral part of these financial statements.

Auditor's Report

As per our separate report of even date attached

For M/s. Raj Achint & Associates

Chartered Accountants

Firm No: 022023

Raj Kumar Jain

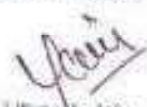
Proprietor

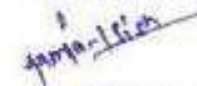
M. No. 687941




For and on behalf of board of
North Eastern Carrying Corporation Limited


Sunil Kumar Jain
Managing Director
DIN : 00010695


Utkarsh Jain
Director
DIN : 05271884


Mamta Bisht
Company Secretary
M. No. 36347


S. L. Yadav
CFO

Place: Delhi

Date: 30.06.2021

NORTH EASTERN CARRYING CORPORATION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

| PARTICULARS | Notes | For the year ended 31.03.2021 <u>Amt. In Rs.</u> | For the year ended 31.03.2020 <u>Amt. In Rs.</u> |
|---|-------|--|--|
| INCOME | | | |
| Revenue from operations | 17 | 230,58,84,426 | 376,29,94,178 |
| Other Income | 18 | 2,15,10,807 | 1,89,59,850 |
| Total | | <u>232,73,75,233</u> | <u>378,19,54,028</u> |
| EXPENSES | | | |
| Operating/Direct Cost/Services Availed | 19 | 193,90,05,319 | 325,30,17,534 |
| Employee Benefit Expenses | 20 | 13,10,16,144 | 15,36,71,954 |
| Financial Costs | 21 | 6,85,60,156 | 6,84,62,529 |
| Depreciation and Amortization Expense | 22 | 3,10,26,103 | 3,10,57,382 |
| Other Administrative Expenses | 23 | 14,59,53,369 | 18,81,68,774 |
| Total | | <u>231,55,61,090</u> | <u>369,43,98,174</u> |
| Profit before exceptional and extraordinary items and tax | | 1,18,14,143 | 8,75,56,854 |
| Exceptional Items | | 0 | 0 |
| Profit before extraordinary items and tax | | 1,18,14,143 | 8,75,56,854 |
| Extraordinary Items | | 0 | 0 |
| Profit before tax | | 1,18,14,143 | 8,75,56,854 |
| Tax expense: | | | |
| (1) Provision for Current tax (Income Tax) | | 45,48,718 | 2,46,63,001 |
| (2) Deferred Tax Savings/(Charge) | | 12,90,453 | 10,02,828 |
| (3) Provision for tax(Earlier year) W/back | | -57,45,336 | 0 |
| Profit/(Loss) from the period from continuing operations | | 1,43,01,214 | 6,38,95,681 |
| Profit/(Loss) from discontinued operations | | 0 | 0 |
| Tax expense of discontinued operations | | 0 | 0 |
| Profit/(Loss) from Discontinued operations | | 0 | 0 |
| Profit/(Loss) for the period | | <u>1,43,01,214</u> | <u>6,38,95,681</u> |
| Other comprehensive income | | | |
| (A)(i) Items that will not be reclassified to profit or loss: | | 0 | 0 |
| (ii) Income tax relating to item that will not be classified to Profit and Loss | | 0 | 0 |
| (B)(i) Items that will be reclassified to profit or loss: | | 0 | 0 |
| (ii) Income tax relating to item that will be classified to Profit and Loss | | 0 | 0 |
| Total Other Comprehensive Income | | <u>0</u> | <u>0</u> |
| Total Comprehensive Income for the year | | <u>1,43,01,214</u> | <u>6,38,95,681</u> |
| Earning per equity share: | | | |
| (1) Basic | | 0.28 | 1.27 |
| (2) Diluted | | 0.28 | 1.27 |

Significant Accounting Policies 1,2,3

The Notes No. 1 to 36 are integral part of these financial statements.

Auditor's Report

As per our separate report of even date attached

For M/s. Raj Achint & Associates

Chartered Accountants

Firm No: 022023N

Raj Kumar Jain

Proprietor

M. No. 087941



Place: Delhi

Date: 30.06.2021

For and on behalf of board of
North Eastern Carrying Corporation Limited

Sunil Kumar Jain
Managing Director
DIN : 00010695

Utkarsh Jain
Director
DIN : 05271884

Mamta Bisht
Company Secretary
M. No. 30347

S. L. Yadav
CFO

NORTH EASTERN CARRYING CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

| | As At 31.03.2021 Amt. in Rs. | As At 31.03.2020 Amt. in Rs. |
|--|------------------------------------|------------------------------------|
| A: Cash Flow From Operating Activities: | | |
| Net Profit before taxation | 1,18,14,143 | 6,75,55,054 |
| Add: Depreciation | 3,10,28,103 | 3,10,57,382 |
| Sub-Total | <u>4,28,42,246</u> | <u>11,86,12,236</u> |
| Add: Investment written off | 0 | 0 |
| Add: Loss on Sale of Fixed Assets | -2,38,897 | 75,84,084 |
| Less: Interest on Income Tax Refund/Other Interest | 54,72,130 | 3,27,059 |
| Operating Profit before working capital changes | <u>3,71,29,218</u> | <u>12,88,70,297</u> |
| Add: Decrease in Sundry Debtors | 11,01,18,321 | (5,55,14,538) |
| Less: Increase in Loans & Advances | (10,78,54,024) | (18,61,11,020) |
| Add: Increase in Liabilities | -14,56,84,207 | 7,12,84,307 |
| Cash generated from operations | <u>(10,62,90,722)</u> | <u>(1,44,70,990)</u> |
| Less: Income Tax Paid/Provided | -11,98,818 | 2,48,83,001 |
| Net Cash From Operating Activities (A) | <u>(10,50,94,153)</u> | <u>(3,91,33,989)</u> |
| B: Cash Flow From Investing Activities: | | |
| Add: Sale Proceeds of Fixed Assets | 4,00,000 | 1,21,65,000 |
| Add: Interest on Income Tax Refund/Other Interest | 54,72,130 | 3,27,059 |
| Less: Purchase of Fixed Assets | 18,98,489 | 1,51,81,627 |
| Net Cash Outflow from Investing Activities (B) | <u>39,73,641</u> | <u>(26,69,568)</u> |
| C: Cash Flow From Financing Activities: | | |
| Decrease in Secured Borrowings | -6,72,84,803 | 2,85,94,269 |
| Less: Decrease in Unsecured Loans | 18,77,75,000 | 89,25,000 |
| Net Cash Inflow from Financing Activities (C) | <u>10,04,90,407</u> | <u>3,75,19,269</u> |
| Net Increase in Cash & Cash Equivalents (A+B+C) | <u>-6,30,685</u> | <u>-42,81,250</u> |
| Add: Cash & Cash Equivalents at beginning of Year | 5,59,34,207 | 6,02,15,457 |
| Cash & Cash Equivalents at end of Year | <u>5,53,04,118</u> | <u>5,59,34,207</u> |

Place: Delhi
 Date: 30.06.2021

For and on behalf of board of
 North Eastern Carrying Corporation Limited


 Sunil Kumar Jain
 Managing Director
 DIN: 00010689

 Manita Bahl
 Company Secretary
 M. No. 30347


 Umesh Jain
 Director
 DIN: 00271884

 S L Yadav
 CFO

Auditor's Certificate:

The above Cash Flow Statement has been prepared under the Indirect method as set out in Indian Accounting Standard (IND AS-7). The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements of the Company.

Previous year figures have been re-grouped/re-arranged wherever considered necessary.

Place: Delhi
 Date: 30.06.2021

For M/s. Raj Achint & Associates
 Chartered Accountants
 Firm No. 622023N


 Raj Kumar Jain
 Proprietor
 M. No. 007041



NORTH EASTERN CARRYING CORPORATION LIMITED
Statement of Changes in Equity (SOCE) for the year ended March 31, 2021

A. Equity Share Capital

| Particulars | As at April 1, 2019 | Change in equity share capital during the year | As at March 31, 2020 | Change in equity share capital during the year | Amount in Rs |
|--------------|---------------------|--|----------------------|--|----------------------|
| | | | | | As at March 31, 2021 |
| Equity Share | 50,19,73,360 | - | 50,19,73,360 | - | 50,19,73,360 |

B. Other Equity

| Particulars | Shree Ganesh Ji Maharaj | Reserves & Surplus | Amount in Rs |
|---|-------------------------|--------------------|--------------|
| | | Retained Earnings | Total |
| Balance as at April 1, 2019 | 1,101 | 36,70,33,045 | 36,70,34,146 |
| Profit for the period | 0 | 6,38,95,681 | 6,38,95,681 |
| Other comprehensive income (net of tax) | 0 | 0 | 0 |
| Balance as at March 31, 2020 | 1,101 | 43,09,28,726 | 43,09,29,827 |
| Profit for the period | 0 | 1,43,01,214 | 1,43,01,214 |
| Other comprehensive income (net of tax) | 0 | 0 | 0 |
| Balance as at March 31, 2021 | 1,101 | 44,52,29,940 | 44,52,31,041 |



For and on behalf of board of
North Eastern Carrying Corporation Limited

[Signature]
Sunil Kumar Jain
Managing Director
DIN : 00010695

[Signature]
Utkarsh Jain
Director
DIN : 05271884

[Signature]
Mamta Bisht
Company Secretary
M. No. 30347

[Signature]
S. L. Yadav
CFO

NORTH EASTERN CARRYING CORPORATION LIMITED

Notes to the financial statements for the year ended March 31, 2021

1. Corporate information

North Eastern Carrying Corporation Limited is a Limited Company incorporated under the provisions of the Companies Act, 1956. The company is engaged in the business of transportation.

2. Basis of preparation of Financial Statements

(i) Statement of compliance:

The financial statements of the Company for the year ended 31 March 2021 are prepared in all material aspects in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and relevant provisions of the Companies Act, 2013.

(ii) Basis of Preparation:

Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First-time adoption of Indian Accounting Standards, with April 1, 2016 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

(iii) Basis of Measurement

The financial statements have been prepared under the historical cost convention except for the following which have been measured at fair value:

- Financial assets and liabilities except borrowings carried at amortised cost

3. Significant accounting policies:

i) Property, plant and equipment:

Property, plant and equipment are stated at original cost net of tax /duty credit availed, less accumulated depreciation and accumulated impairment Losses, if any. Cost includes all incidental expenses relating to acquisition and installation of Property, plant and equipment.

Depreciation on computers and related equipment is provided on the written down value method except on Lorry & Trucks on which depreciation is provided on straight line method over their useful lives and in the manner prescribed under Schedule II of the Companies Act, 2013. Depreciation on Goodwill is being provided on straight line method over ten years.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.



ii) Cash and cash equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are ready convertible into known amounts of cash and which are subject to insignificant risk of change in value.

iii) Employees Benefits:

a) Short term employee benefits

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

b) Post-employment benefits

The Company makes specified monthly contribution towards employee provident fund to the Government. The minimum interest payable by the Government to the beneficiaries every year is notified by the government.

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date.

Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

iv) Foreign currency transactions:

(a) Functional and presentation Currency

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

(b) Transaction and Balance

Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognised in the Statement of profit and loss.



Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transactions.

v) Revenue recognition:

Revenue is recognised to the extent that it is possible that the economic benefits will flow to the company and the revenue can be reliably measured.

vi) Provisions and contingencies

(a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation. Provisions are reviewed at each reporting period and are adjusted to reflect the current best estimate.

(b) Contingencies

A disclosure for contingent liability is made when there is possible obligation arising from past event the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

A disclosure for contingent assets is also made when there is possibility of an inflow of economic benefits to the entity which arise from unplanned or other unexpected events.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

vii) Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of shares outstanding during the year.

viii) Income Taxes:

Income tax comprises current tax (including MAT) and deferred tax. Income tax expenses is recognized in net profit in statement of Profit and loss extent to the extent that it relates to items recognised directly in other comprehensive income/equity, in which case it is recognized in other comprehensive income/equity.

Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Current tax asset and liabilities are offset when company has a legally enforceable right to set off the recognized amount and also intends to settle on net basis.

Deferred income tax assets and liabilities are recognised for deductible and taxable temporary difference arises between the tax bases of assets and liabilities and their carrying amount in the financial statement

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable profit will be available against which those deductible temporary differences can be utilised. Deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



Deferred tax is measured at the tax rates and tax law that that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary difference is expected to be recovered or settled.

ix) Financial instruments:

Initial measurement

Financial instrument is recognised as soon as the company become a party to the contractual provision of the instruments. All Financial assets and financial liabilities are measured at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial instrument (other than financial measured at fair value through profit or loss) are added or deducted from the value of the financial instrument, as appropriate, on initial recognition.

Financial Instrument sated as financial assets or financial liabilities are generally not offset, and they are only offset when a legal right to set off exist at that and settlement on a net basis is intended.

Subsequent measurement

Financial assets:

Subsequent measurement of financial assets depends on their classification as follows. -

(a) Financial asset carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within business model whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of the asset give rise on specified dates to cash flow that are solely payment of principal and interest on the principal amount outstanding.

(b) Financial asset carried at Fair Value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset the contractual term of the asset give rise on specified dates to cash flow that are solely payment of principal and interest on the principal amount outstanding.

For all other equity instrument, the company make irrevocable election to present in other comprehensive income subsequent change in fair value. The company makes such election on an instrument- to- instrument basis.

(c) Financial asset carried at Fair Value through Profit and loss

A financial asset which is not classified in any of the above category is subsequently measured at fair value through profit and loss.



Financial liabilities and equity instruments:

Debts and equity instrument issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

a). Equity Instruments

An equity instrument is any contract that an evidence and residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recognized at the proceeds received, net of direct issue costs.

b) Financial Liabilities

All Financial liabilities are subsequently measured at amortised cost using the Effective interest method.

De-recognition of financial Instrument: -

A financial asset is primarily derecognized when the contractual right to the cash flow from the financial asset expires and it transfers the financial asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(x). Impairment

A). Financial Asset

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

B). Non-Financial Asset

(a) Property, plant and equipment and Intangible asset

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, had no impairment loss been recognized. Post Impairment, depreciation/amortisation is provided on the revised carrying value of the impaired assets over its remaining useful life.

3.Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement. Uncertainty about these assumptions



and estimates could result in outcome that require a material adjustment to assets or liabilities affected in future periods.

i) Property, plant and equipment

Property, Plant and equipment represent a proportion of the asset base of the company. The useful lives and residual value of the company's asset are determined by the management at the time the asset is acquired and reviewed at each reporting date.

ii) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

iii) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

iv) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables and advances are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

v) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

vi) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.



NORTH EASTERN CARRYING CORPORATION LIMITED
Notes forming part of Balance Sheet & Statement of Profit & Loss

Note -4 and 5. Property, Plant, Equipment and Other Intangible Assets

| Particulars | (Amount in Rs.) | | | | | | | | | | |
|---------------------------------|-----------------|-----------------------------|-----------------------------------|----------------------|-------------------------|-------------|-----------|-------------|--------------|-------------|-------------|
| | Computers | Office Equipment & Fixtures | Furniture Installation & Fittings | Lorry & Trucks (SLM) | Cars, Scooters & Cycles | Land | Building | Total | Goodwill | Total | |
| Gross Block | | | | | | | | | | | |
| As at April 1, 2019 | 1,40,00,031 | 42,81,509 | 80,72,483 | 8,38,485 | 20,84,85,970 | 4,86,59,069 | 33,20,972 | 2,72,12,274 | 31,60,70,793 | 5,33,74,000 | 5,33,74,000 |
| Additions | 4,32,339 | 3,32,224 | 1,06,951 | 0 | 52,03,500 | 90,87,513 | 0 | 0 | 1,51,51,627 | 0 | 0 |
| Disposal | 0 | 0 | 0 | 0 | 5,66,74,053 | 61,81,679 | 0 | 0 | 6,28,56,732 | 0 | 0 |
| Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| As at March 31, 2020 | 1,44,32,370 | 46,13,733 | 81,79,434 | 8,38,485 | 15,70,16,417 | 5,27,64,903 | 33,20,972 | 2,72,12,274 | 26,83,76,688 | 5,33,74,000 | 5,33,74,000 |
| Additions | 4,79,155 | 1,19,200 | 18,000 | 0 | 0 | 12,64,053 | 0 | 0 | 16,98,406 | 0 | 0 |
| Disposal | 0 | 0 | 0 | 0 | 12,25,838 | 2,88,221 | 0 | 0 | 15,13,859 | 0 | 0 |
| Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| As at March 31, 2021 | 1,49,11,525 | 47,32,933 | 81,97,434 | 8,38,485 | 15,57,89,779 | 5,37,60,755 | 33,20,972 | 2,72,12,274 | 26,87,61,298 | 5,33,74,000 | 5,33,74,000 |
| Accumulated Depreciation | | | | | | | | | | | |
| As at April 1, 2019 | 1,27,09,047 | 37,53,351 | 72,40,360 | 6,66,788 | 9,42,87,303 | 3,45,75,584 | 0 | 1,30,00,450 | 16,62,33,283 | 0 | 0 |
| Depreciation for the period | 6,04,302 | 2,88,380 | 1,45,585 | 48,426 | 2,32,98,525 | 63,00,046 | 0 | 6,52,119 | 3,10,57,382 | 0 | 0 |
| Disposal | 0 | 0 | 0 | 0 | 4,00,75,034 | 30,27,615 | 0 | 0 | 4,31,03,649 | 0 | 0 |
| Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| As at March 31, 2020 | 1,33,13,349 | 40,21,731 | 73,86,045 | 7,13,224 | 7,75,10,796 | 3,75,48,415 | 0 | 1,36,52,566 | 15,41,87,027 | 0 | 0 |
| Depreciation for the period | 3,75,622 | 2,21,846 | 1,16,315 | 31,742 | 1,95,14,525 | 46,88,740 | 0 | 5,58,410 | 2,66,88,703 | 53,37,400 | 53,37,400 |
| Disposal | 0 | 0 | 0 | 0 | 10,76,847 | 2,73,910 | 0 | 0 | 13,52,757 | 0 | 0 |
| Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| As at March 31, 2021 | 1,36,88,971 | 42,43,579 | 75,02,360 | 7,44,966 | 9,80,48,473 | 4,19,42,745 | 0 | 1,43,50,976 | 17,85,22,972 | 53,37,400 | 53,37,400 |
| Net carrying amount | | | | | | | | | | | |
| As at March 31, 2020 | 11,19,021 | 5,92,002 | 7,91,588 | 1,25,261 | 7,95,04,622 | 1,52,16,487 | 33,20,972 | 1,35,19,708 | 11,41,89,661 | 5,33,74,000 | 5,33,74,000 |
| As at March 31, 2021 | 12,22,585 | 4,89,354 | 6,89,273 | 93,519 | 5,97,43,306 | 1,19,18,020 | 33,20,972 | 1,20,61,298 | 9,02,38,326 | 4,80,36,600 | 4,80,36,600 |



For and on behalf of board of
North Eastern Carrying Corporation Limited

Sunil Kumar Jain
Managing Director
DIN - 00010595

Manta Bisoi
Company Secretary
M. No. 30347

S.L. Yadav
Director
DIN - 0027-984
CFO

NORTH EASTERN CARRYING CORPORATION LIMITED
Notes forming part of Balance Sheet and Profit & Loss Statement
for the year ended 31st March, 2021

| | As On 31.03.2021 <u>Amt. in (Rs.)</u> | As On 31.03.2020 <u>Amt. in (Rs.)</u> |
|---|---|---|
| Note : 6 Non-Current Loans | | |
| (Unconfirmed, Unsecured and Considered Good) | | |
| Security Deposits | 1,72,081 | 1,82,081 |
| Earnest Money Deposits | 80,23,730 | 82,53,730 |
| Landlord Security Deposits | 2,09,72,458 | 2,19,21,466 |
| Total | <u>2,91,68,267</u> | <u>3,00,57,277</u> |
| Note : 7 Trade Receivables | | |
| (Unconfirmed, Unsecured and Considered Good) | | |
| Debts outstanding for more than six months | 9,81,30,069 | 8,39,74,277 |
| Others Debts | 84,52,13,394 | 106,94,87,508 |
| Total | <u>104,33,43,463</u> | <u>115,34,61,784</u> |
| Note : 8 Cash & Cash Equivalent | | |
| Cash-in-Hand | | |
| Cash in Hand | 4,11,43,975 | 4,26,92,680 |
| Funds in Transit | 43,42,254 | 18,81,428 |
| | <u>4,54,86,229</u> | <u>4,45,74,308</u> |
| Bank Balance | | |
| Balance - In Current A/c | 83,95,464 | 55,99,789 |
| Fixed deposit under PMGKY (Three Years maturity) | 0 | 17,50,000 |
| Balance - In Fixed Deposits | 14,22,425 | 10,11,110 |
| | <u>98,17,889</u> | <u>1,13,59,899</u> |
| Total | <u>5,53,04,118</u> | <u>5,59,34,207</u> |
| Note : 9 Loans | | |
| (Unconfirmed, Unsecured & Considered Good) | | |
| (Advance recoverable in cash or in kind or for value to be recd.) | | |
| Staff Advances | 3,14,25,128 | 3,05,51,137 |
| Rates & Taxes Receivable | 84,20,522 | 1,51,90,627 |
| Prepaid Expenses & Recoverables | 19,54,204 | 22,85,428 |
| Advance Income Tax/TDS (AY 17-18) | 0 | 2,90,05,073 |
| Advance Income Tax/TDS (AY 19-20) | 0 | 4,22,85,105 |
| Advance Income Tax/TDS (AY 18-19) | 0 | 3,57,78,183 |
| Advance Income Tax/TDS (AY 20-21) | 0 | 5,85,88,642 |
| Advance Income Tax/TDS (AY 21-22) | 2,96,33,351 | 0 |
| GST | 0 | 1,42,997 |
| Other Advances | 61,74,27,136 | 36,63,36,232 |
| Interest Accrued but not received on FDR | 12,31,006 | 11,84,711 |
| Total | <u>69,00,91,347</u> | <u>58,13,48,333</u> |
| Note : 11 Other Equity | | |
| Refer Statement of change in Equity for detailed movement in equity balance | | |
| Shree Ganesh Ji Mahara | 1,101 | 1,101 |
| Reserves & Surplus | | |
| Retained Earnings | 44,52,29,940 | 43,09,28,726 |
| Total | <u>44,52,31,041</u> | <u>43,09,29,827</u> |



For and on behalf of Board of
North Eastern Carrying Corporation Limited

[Signature]
Sunil Kumar Jain
Managing Director
DIN : 00010695

[Signature]
Mamta Bisht
Company Secretary
M. No. 20347

[Signature]
Utkalsharan
Director
DIN : 05271884

[Signature]
S. L. Yadav
CFO

NORTH EASTERN CARRYING CORPORATION LIMITED
Notes forming part of Balance Sheet and Statement of Profit & Loss
for the year ended 31st March, 2021

| | As On 31.03.2021 Amt.In (Rs.) | As On 31.03.2020 Amt.In (Rs.) |
|---|-------------------------------------|-------------------------------------|
| Note - 10: Share Capital | | |
| Authorized Share Capital : | | |
| 54000000 (54000000) Equity Shares of Rs 10 each | 54,00,00,000 | 54,00,00,000 |
| Issued , Subscribed and fully paid up shares : | | |
| 50197336 (50197336) Equity Shares of Rs 10 each fully paid up | 50,19,73,360 | 50,19,73,360 |
| Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period | | |
| At the beginning of the period | 5,01,97,336 | 5,01,97,336 |
| Issued during the period | 0 | 0 |
| At the end of the period | 5,01,97,336 | 5,01,97,336 |

Terms/Rights attached to equity shares

a) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- . Each holder of equity shares is entitled to one vote per share. The equity share holder are eligible for dividend, if so declared. The dividend proposed by the board of directors is subject to the approval of the share holders in the ensuing annual general meeting, except in case of Interim Dividend.

b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

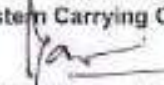
Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period and during five years immediately preceding the reporting date

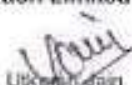
NIL

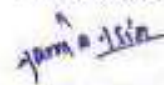
Details of Shareholders holding more than 5% equity shares in the company


| | | |
|------------------------------|-----------------|------------------|
| NECC Automobiles (P) Limited | 8334152(16.60%) | 8334152(16.60%) |
| NECC Securities (P) Limited | 7856880(15.25%) | 7856880(15.25%) |
| Sunil Kumar Jain | 0 | 8883769 (17.26%) |
| Suvi Developers P Ltd | 3631400(7.23%) | 3631400(7.23%) |
| Religare Finvest Limited | 6035494(12.03%) | 6035494(12.03%) |
| Vanya Jain | 5019585 (10%) | 0 |
| Utkarsh Jain | 3798114 (7.57%) | 153910 (0.31%) |

**For and on behalf of board of
North Eastern Carrying Corporation Limited**


Sunil Kumar Jain
Managing Director
DIN : 00010695


Utkarsh Jain
Director
DIN : 05271894


Mamta Bisht
Company Secretary
M. No. 30347


S. L. Yadav
CFO



NORTH EASTERN CARRYING CORPORATION LIMITED
Notes forming part of Balance Sheet and Profit & Loss Statement
for the year ended 31st March, 2021

| | As On 31.03.2021 <u>Amt. in (Rs.)</u> | As On 31.03.2020 <u>Amt. in (Rs.)</u> |
|---|---|---|
| Note : 12 Non Current Borrowings | | |
| Vehicle Loans: | | |
| ICICI Bank Ltd | 22,392 | 2,76,630 |
| HDFC Bank Limited | 1,53,20,855 | 3,38,10,866 |
| Axis Bank | 6,95,222 | 29,88,245 |
| (Secured against hypothecation of vehicles financed) | | |
| Total | <u>1,59,38,369</u> | <u>3,70,75,742</u> |
| Note : 13 Current Borrowings | | |
| HDFC Bank Limited | 3,57,03,723 | 3,40,13,114 |
| ICICI Bank Limited | 2,54,338 | 2,30,802 |
| Kotak Mahindra Bank | 0 | 52,35,150 |
| Axis Bank | 23,93,024 | 21,83,454 |
| (Secured against hypothecation of vehicles financed) | | |
| Kotak Mahindra Bank (OD A/c) | 34,15,09,497 | 41,71,67,835 |
| DBS (O/D and WCDL) | 24,78,06,364 | 23,49,83,611 |
| (All the loans secured against hypothecation/charge on all the current assets incl. Book Debts and collaterally secured by charge against properties of Directors of the Company and other Associate companies and personal guarantee of some of Directors, their HUF and Corporate Guarantee of Associate companies) | | |
| Unsecured Loans (From Directors) | 21,80,75,000 | 3,03,00,000 |
| Total | <u>84,57,41,945</u> | <u>72,41,14,165</u> |
| Note : 14 Trade Payables | | |
| Sundry Creditors | 3,98,40,542 | 5,80,91,131 |
| Total | <u>3,98,40,542</u> | <u>5,80,91,131</u> |



For and on behalf of Board of
North Eastern Carrying Corporation Limited

[Signature]
Sunil Kumar Jain
Managing Director
DIN : 00010695

[Signature]
Utkarsh Jain
Director
DIN : 05271884

[Signature]
Mamta Bisht
Company Secretary
M. No. 30347

[Signature]
S. I. Yadav
CFO

NORTH EASTERN CARRYING CORPORATION LIMITED
Notes forming part of Balance Sheet and Profit & Loss Statement
for the year ended 31st March, 2021

| | As On 31.03.2021 <u>Amt. In (Rs.)</u> | As On 31.03.2020 <u>Amt. In (Rs.)</u> |
|--|---|---|
| Note : 20 Employee Benefit Expenses | | |
| Establishment Expenses | 10,85,63,783 | 12,61,54,262 |
| PF/ESI | 1,21,32,968 | 1,41,28,036 |
| Gratuity | 24,69,480 | 45,69,131 |
| Recruitment & Training Expenses | 97,350 | 39,984 |
| Directors Remuneration | 61,00,000 | 61,00,000 |
| Staff Welfare | 16,32,563 | 29,42,550 |
| Total | 13,10,16,144 | 15,39,71,954 |
| Note : 21 Financial Cost | | |
| Bank Interest | 6,12,82,008 | 6,12,92,566 |
| Processing Charges | 13,81,890 | 0 |
| Finance Cost - Vehicles | 58,96,257 | 71,89,981 |
| Total | 6,85,60,156 | 6,84,82,547 |
| Note : 22 Depreciation & Amortised Cost | | |
| Depreciation and amortisation | 3,10,26,103 | 3,10,57,382 |
| Total | 3,10,26,103 | 3,10,57,382 |



For and on behalf of Board of
North Eastern Carrying Corporation Limited

[Signature]
Suresh Kumar Jain
Managing Director
DIN : 00010695

[Signature]
Utkarsh Jain
Director
DIN : 05271884

[Signature]
Mamta Bient
Company Secretary
M. No. 30347

[Signature]
S. L. Yadav
CFO

NORTH EASTERN CARRYING CORPORATION LIMITED
Notes forming part of Balance Sheet and Profit & Loss Statement
for the year ended 31st March, 2021

| | As On 31.03.2021 <u>Amt.In (Rs.)</u> | As On 31.03.2020 <u>Amt.In (Rs.)</u> |
|--|--|--|
| Note : 15 Other Current Liabilities | | |
| Security Deposits | 56,490 | 75,000 |
| E. S. I. Payable | 1,48,991 | 1,89,004 |
| Provident Fund Payable | 9,99,454 | 10,48,582 |
| Professional Tax Payable | 17,123 | 12,990 |
| T. D. S. Payable | 37,43,298 | 60,19,983 |
| GST Payable | 88,16,948 | 2,46,09,903 |
| Bonus/ Ex-Gratia Payable | 87,57,714 | 80,39,222 |
| Lorry Freight Payable | 93,34,072 | 1,53,42,821 |
| Claim Payable | 26,487 | 1,77,303 |
| Other Expenses & Liabilities Payable | 4,35,64,274 | 4,57,35,208 |
| Total | 7,35,76,812 | 10,12,20,995 |
| Note : 16 Current provisions | | |
| Provision for I. Tax (AY 2018-2019) | 0 | 1,92,83,911 |
| Provision for I. Tax (AY 2017-2018) | 0 | 3,02,54,848 |
| Provision for I. Tax (AY 2019-2020) | 0 | 2,86,75,288 |
| Provision for I. Tax (AY 2020-2021) | 0 | 2,46,83,001 |
| Provision for I. Tax (AY 2021-2022) | 45,48,718 | 0 |
| Provision for Gratuity | 3,70,65,633 | 4,05,17,838 |
| Total | 4,16,14,351 | 14,13,94,885 |
| Note : 17 Revenue from Operations | | |
| Freight | 223,40,34,660 | 372,33,19,503 |
| Loading & Unloading | 7,18,29,766 | 3,98,74,675 |
| Total | 230,58,64,426 | 376,29,94,178 |
| Note : 18 Other Income | | |
| Profit on sale of Fixed Assets | 2,38,897 | 0 |
| Discount on Finance | 11,559 | 4,50,731 |
| Insurance Claim | 0 | 1,85,080 |
| Interest received | 54,72,130 | 3,27,059 |
| Lorry Maintenance | 1,37,86,888 | 1,43,77,754 |
| Warehouse Income | 20,01,335 | 38,39,226 |
| Total | 2,15,10,607 | 1,89,59,850 |
| Note : 19 Operating / Direct Cost/ Services Availed | | |
| Lorry Freight | 185,80,11,735 | 320,19,28,008 |
| Loading Expenses | 6,87,05,750 | 3,49,21,606 |
| Commission | 1,06,09,437 | 86,04,889 |
| Claims | 36,78,367 | 75,62,031 |
| Total | 193,90,05,319 | 325,30,17,534 |



For and on behalf of Board of
North Eastern Carrying Corporation Limited

[Signature]
Sunil Kumar Jain
Managing Director
DIN : 00010095

[Signature]
Utkarsh Jain
Director
DIN : 05218884

[Signature]
Manita Bishit
Company Secretary
M. No. 30347

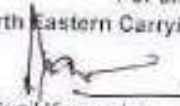
[Signature]
S. L. Yadav
CFO


NORTH EASTERN CARRYING CORPORATION LIMITED
Notes forming part of Balance Sheet and Profit & Loss Statement
for the year ended 31st March, 2021


| | As On 31.03.2021 <u>Amt. In (Rs.)</u> | As On 31.03.2020 <u>Amt. In (Rs.)</u> |
|--|---|---|
| Note : 23 Other Administrative Expenses | | |
| Advertisement & Publicity | 2,61,596 | 7,73,443 |
| Books & Periodicals | 1,812 | 7,476 |
| Business Promotion | 3,949 | 23,082 |
| Bank Charges & Comm. | 38,80,353 | 15,70,883 |
| Car Expenses | 14,81,252 | 20,90,404 |
| Conveyance & Scooter Petrol | 11,43,866 | 14,81,792 |
| Corporate Social Responsibility Expenditure | 2,29,500 | 8,31,520 |
| Diwali Expenses | 4,72,120 | 4,07,542 |
| Electricity & Water Charges | 51,37,242 | 58,58,606 |
| | | |
| Fees, Rates & Taxes | 8,09,431 | 13,05,290 |
| General Expenses | 8,98,523 | 10,14,967 |
| Generator Hire & Maintenance Charges | 5,85,743 | 6,31,501 |
| Insurance | 64,71,111 | 80,70,883 |
| Interest/Penalty on Late Deposit TDS | 9,02,426 | 10,30,358 |
| Interest on late deposit of GST | 16,53,169 | 38,63,408 |
| GST Late deposit Fees | 1,73,320 | 2,62,088 |
| GST | 3,16,131 | 15,42,525 |
| Internet Charges | 14,11,229 | 7,85,880 |
| Legal & Professional Expenses | 79,75,809 | 1,01,25,916 |
| Loss on Sale of Fixed Assets | 0 | 75,84,084 |
| Office Expenses | 5,06,432 | 5,22,885 |
| Packing & Forwarding Expenses | 1,00,299 | 1,99,687 |
| | | |
| Penalty | 0 | 1,000 |
| Payment to Auditors | 3,00,000 | 3,00,000 |
| Postage & Courier | 9,75,368 | 14,88,289 |
| Printing & Stationary | 24,45,132 | 41,69,790 |
| Rent | 7,68,47,039 | 9,33,26,591 |
| Repair & Maintenance | 1,84,59,890 | 1,95,72,775 |
| Scooter Expenses | 22,29,608 | 24,39,039 |
| Security Guard Charges | 18,78,815 | 18,59,540 |
| Subscriptions | 1,97,843 | 3,04,901 |
| Telephone Expenses | 19,31,493 | 23,82,977 |
| Traveling Expenses | 54,88,799 | 1,01,50,377 |
| Warehouse Charges | 9,64,191 | 22,01,528 |
| Total | <u>14,59,53,369</u> | <u>18,81,88,774</u> |




For and on behalf of Board of
North Eastern Carrying Corporation Limited


Sunil Kumar Jain
Managing Director
DIN : 00010895


Utkalini Jain
Director
DIN : 05171884


Manita Bisht
Company Secretary
M. No. 30347


S. L. Yadav
CFO

24. Related Party Disclosures

Related party disclosures as required under Accounting Standard (AS) – 18 " Related Party Disclosures"

a. Related parties and nature of related party relationships where control exists

| Name of the party | Description of relationship |
|-------------------|-----------------------------|
| Sunil Kumar Jain | Key Management Personnel |
| Utkarsh Jain | Key Managerial Personnel |

b. Related parties and nature of related party relationship with whom transactions have been taken place

| Name of the party | Description of relationship |
|------------------------------------|--|
| Shreyans Buildtech Private Limited | Enterprises over which Key Managerial Personnel are able to exercise significant influence |
| Shreyans Buildwell Private Limited | Enterprises over which Key Managerial Personnel are able to exercise significant influence |
| Sunil Kumar Jain | Key Managerial Personnel |
| Utkarsh Jain | Key Managerial Personnel |
| Reena Gupta | Director |
| Vanya Jain | Relatives of Key Managerial Personnel |
| Sunil Kumar Jain & Sons (HUF) | Others |

Transactions during the year with related parties

(Rs)

| | Key Managerial Personnel/Director | Relatives of Key Managerial Personnel | Enterprises over which Key Managerial Personnel are able to exercise significant influence | Others |
|---|-----------------------------------|---------------------------------------|--|----------|
| Rent Paid | 83,10,000 | 9,60,000 | 14,29,164 | 2,16,000 |
| Directors Remuneration | 61,00,000 | - | - | - |
| Loan Received | 20,53,00,820 | - | - | - |
| Loan Repaid | 1,75,25,620 | - | - | - |
| Personal/Corporate Guarantees obtained to the extent of loan taken by the Company | Yes | Yes | Yes | Yes |



25. The Company has paid fixed monthly remuneration to the directors in accordance with the provisions of section 196, 197, 203 and other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Schedule V of the Companies Act 2013
26. Contingent Liability not provided for:
- (a) In Respect of Bank Guarantees issued by the bank on behalf of the company Rs 1,83,20,582/-
- (b) For claims/shortage not ascertained nor settled during the year. Claims lodged by customers but not settled by the company Rs 32,41,042/-
- (c) Approximate Liability on account of major cases filed against the company in various courts aggregating to Rs 67,99,040/-
27. Sundry Debtors include freight receivable against GRs issued during the year
28. Tax Deducted at Source (A.Y. 2021-2022) is not final as more TDS Certificates might be received by the company in future.
29. There is nothing to be disclosed under AS 17 – Segment Reporting since there is no business segment or geographical segment which is a reportable segment based on the definitions contained in the accounting standard.
30. Deferred Tax has been created as per AS-22 issued by Institute of Chartered Accountants of India.

| Particulars | Deferred Tax Assets/(Liability) as at 01.04.2020 | Deferred Tax Credit/(Charge) for the year | Deferred Tax Asset/(Liability) as at 31.03.21 |
|---|--|---|---|
| On account of difference between book & tax dep | (37,78,852) | 21,84,471 | (15,94,381) |
| On account of provision of gratuity | 1,02,22,697 | (8,94,018) | 93,28,679 |
| Total | 64,43,845 | 12,90,453 | 77,34,298 |

31. The debit and credit balances standing in the name of parties are subject to confirmation from them.
32. In the opinion of the Board of Directors, the current assets, loans & advances are fully realizable at the value stated, if realized in the ordinary course of business. The provisions for all known liabilities are adequate in the opinion of board.



33. Employee Benefits

A. Defined Contribution Plan

The Company has contributed to Employee Provident Fund, under defined contribution plans. The provident fund is operated by the Regional Provident Fund Commissioner.

During the year the company has recognized the following amounts in the Statement of Profit & Loss:

| | March 31, 2021 (In Rs) | March 31, 2020 (In Rs) |
|---|------------------------|------------------------|
| Employer's Contribution to Provident Fund | 39,59,281 | 60,86,689 |

B. Defined Benefit Plan

The present value obligation in respect of gratuity is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The summarized positions of various defined benefits are as under:-

1. Actuarial Assumptions

| | Gratuity (unfunded) March 31, 2021 | Gratuity (unfunded) March 31, 2020 |
|---------------------------|--|--|
| Discount Rate (per annum) | 6.1% | 6.2% |
| Salary Escalation | 8.0% | 8.0% |
| Attrition rate | 15.0% | 15.0% |
| Mortality Rates | 100% of India Assured Lives 2012-14 Ultimate | 100% of India Assured Lives 2012-14 Ultimate |

Note:

Discount rate should be based on the yield to maturity on high quality corporate bonds having term similar to that of the liability.

2. Present Value of Obligation

| | Gratuity (unfunded) March 31, 2021 in Rs | Gratuity (unfunded) March 31, 2020 in Rs |
|-------------------------------|--|--|
| Net defined benefit liability | 3,70,65,633 | 4,06,17,838 |

3. Expenses recognized in statement of profit & loss

| | Gratuity (unfunded) March 31, 2021 in Rs | Gratuity (unfunded) March 31, 2020 in Rs |
|-------------------------------------|--|--|
| Expense recognized in Profit & Loss | 24,69,480 | 45,69,131 |



34. Being a service company quantitative information/closure are not applicable.

35. Payment to Auditors
Audit Fee

Amt. In Rs.
Rs. 3,00,000/- (Previous Year Rs. 3,00,000/-)

36. Previous year figures have been regrouped/ reclassified wherever necessary.

Auditors Report

As per our report of even date attached

For M/s Raj Achint & Associates
Chartered Accountants

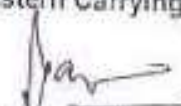
Firm No: 022023N

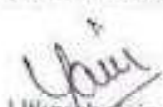
Raj Kumar Jain
Proprietor
M.No. 087941



Place Delhi
Date: 30.06.2021

For and on behalf of Board of Directors of
North Eastern Carrying Corporation Limited


Sunil Kumar Jain
Managing Director
DIN: 00010695


Utkarsh Jain
Director
DIN: 05271884


Mamta Bisht
Company Secretary
M. No. 30347


S.L. Yadav
CFO