



Moving You Ahead

 1800 11 7080



TAILOR MADE  
LOGISTICS FOR  
EVERY NEED



ANNUAL REPORT OF  
NORTH EASTERN CARRYING CORPORATION LTD.  
FOR THE FINANCIAL YEAR 2018-19

**North Eastern Carrying Corporation Ltd.**

CO: NECC House 9062/47, Ram Bagh Road, Azad Market  
Delhi-110 006 (INDIA) T: 011-23517516-19  
E: [co@neccgroup.com](mailto:co@neccgroup.com) | W: [www.neccgroup.com](http://www.neccgroup.com)



## CONTENTS

S. No.	Particulars	Page No.
1.	Corporate Information	1
2.	Notice of Meeting	2
3.	Board's Report along with Annexures	6
4.	Report on Corporate Governance	35
5.	Management Discussion & Analysis Report	53
6.	Financial Statements	
6.1	Independent Auditors' Report on Financial Statements	59
6.2	Balance Sheet	66
6.3	Statement of Profit & Loss	67
6.4	Cash Flow Statements	68
6.5	Statement of Changes in Equity	69
6.6	Significant Accounting Policies	70
6.7	Notes to Accounts	74
7.	Attendance Slip & Route Map to the AGM venue	84
8.	Form No. MGT-11 (Proxy Form)	85

**Annual General Meeting** : Monday, 30th September, 2019  
**Time** : 10.00 A.M.  
**Venue** : B-2, Aadarsh Sadan, Phase II, Ashok Vihar, Delhi-110052

## 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 Bisht

### 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  
Corporate Head (Operations)  
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@neccgroup.com  
Website: www.neccgroup.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:- 26387384  
Email:- info@masserv.com  
Website: www.masserv.com

### CORPORATE IDENTIFICATION NUMBER (CIN)

L51909DL1984PLC019485

### SHARES LISTED AT

National Stock Exchange of India Limited  
Bombay Stock Exchange 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: ca.raj8@gmail.com

### SECRETARIAL AUDITOR

A.K. Friends & Co., Practicing Company  
Secretaries  
E-38, 2nd Floor behind Hira Sweets, Laxmi Nagar,  
Delhi-110092  
Ph No.-011-43601839  
Email-ID: csakf1975@gmail.com

### BANKERS

DBS Bank  
Kotak Mahindra Bank

### CREDIT RATING AGENCY

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

**NOTICE**  
**34th ANNUAL GENERAL MEETING**



NOTICE IS HEREBY GIVEN THAT THE THIRTY FORTH (34th) ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF NORTH EASTERN CARRYING CORPORATION LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30, 2019 AT 10.00 A.M. AT B-2, AADARSH SADAN ASHOK VIHAR PHASE II, DELHI-110052 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, 2019 along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Kumar Jain (DIN: 00010695), who retires by rotation and being eligible, offers himself for re-appointment.

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

Sd/-

(Sunil Kumar Jain)

Place: Delhi

Chairman and Managing Director

Date: September 07, 2019

DIN: 00010695

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and such proxy need not be a member of the Company. The proxy form duly completed and signed must be received at the registered office of the company, not less than forty-eight (48) hours before the commencement of the AGM. Blank Attendance Slip, Proxy Form and Route Map of the venue of the meeting is attached and is also available on the Company's website i.e. [www.neccgroup.com](http://www.neccgroup.com).

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Brief Resume of the Director seeking re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 {SEBI (LODR) Regulations, 2015}, is annexed hereto and forms part of Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive)**.
4. **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 an existing demat account or a new demat account to be opened with any Depository Participant.**

5. Members who hold shares in physical form are requested to send all correspondence concerning transmissions, sub-division, consolidation of shares or any other shares 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.
6. Corporate Members are requested to send/attach a duly certified copy of the Board Resolution/Authority Letter authorizing their representative to attend and vote on their behalf at the AGM, along with the Proxy Form/ Attendance Slip
7. **Members are requested to:-**
  - a. **Note that copies of Annual Report will not be distributed at the AGM and they will have to bring their copies of Annual Report;**
  - b. **bring the Attendance Slip at the venue duly filled-in and signed for attending the meeting, as entry to the venue will be strictly on the basis of the Entry Slip, which will be available at the counters at the meeting venue in exchange of the Attendance Slip;**
  - c. **quote their Folio / Client ID & DP ID Nos. in all correspondence with the Company / R&TA;**
  - d. **note that no gifts / coupons will be distributed at the AGM.**
8. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its R&TA along with relevant Share Certificates. In case of Joint Holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. 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. Blank Nomination form is available on Company's website i.e. [www.necgroup.com](http://www.necgroup.com). In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective Depository Participant (DP).
10. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to the Company Secretary at the Registered Office of the Company at least ten days prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.
11. 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. Accordingly, the Company proposes to send all documents viz. Notice, Audited Financial Statements, Board's Report and Auditors' Report etc. in electronic form to the shareholders whose e-mail IDs are registered with the Company /R&TA. These documents will also be available on the website of the Company. Please note that as a Member of the Company, you are entitled to receive above mentioned and all other documents required under the law, free of cost, in physical form on receipt of your request in this regard.

Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the R&TA. of the Company / Depository Participant (DP) of respective Member.

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 by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.
13. Non-Resident Indian Members are requested to inform R&TA, immediately in respect of Change in their residential status on return to India for permanent settlement.
14. **Information and other instructions relating to e-voting is attached with the Notice of the 34th Annual General Meeting for easy reference:-**

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) 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. For this purpose, the Company has engaged the services of National Securities Depository Limited (NSDL) for providing e-voting facility to enable the Shareholders to exercise their right to vote through electronic means in

respect of businesses to be transacted in the AGM. Those Shareholders, who do not opt to cast their vote through e-voting, may cast their vote through ballot process (Insta Poll) at the AGM.

Further, The Company has appointed M/s A.K. Friends & Co., Practicing Company Secretaries, New Delhi (Membership No FCS 5129 & CP No 4056) as the Scrutinizer to scrutinize the votes cast by the shareholders, both on the e-voting platform and through ballot process (Insta Poll) at the Meeting, in a fair and transparent manner.

Further, the Company has fixed **Monday, the September 23, 2019** as the Cut-off date for determining the eligibility to vote by electronic means or at the AGM venue. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

The e-voting portal will be open for voting from **Friday, September 27, 2019 (9.00 A.M.) to Sunday, September 29, 2019 (5.00 P.M.)**. At the end of the said e-voting period, the e-voting portal shall forthwith be blocked.

15. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Monday, the September 23, 2019** may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or MAS Services Limited (RTA) on [info@masserv.com](mailto:info@masserv.com); [sanjay@masserv.com](mailto:sanjay@masserv.com); [sm@masserv.com](mailto:sm@masserv.com). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
16. Once the vote on a resolution is cast by Shareholder, he / she shall not be allowed to change it subsequently or cast the vote again.
17. Once the discussion on all agenda items is completed in the Meeting, every Resolution will be put to vote through a ballot process (Insta Poll) at the Meeting. Those Shareholders who have cast their vote electronically, may also attend the meeting but shall not be allowed to vote again through the ballot process (Insta Poll) at the Meeting
18. The Scrutinizer shall, after the conclusion of the voting through ballot process at the AGM, assess the votes cast at the meeting through ballot process, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report and submit the same to the Chairman of the Meeting.
19. 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) has been carried out or not, together with the Scrutinizer's Report, will be uploaded on the website of the Company ([www.neccgroupp.com](http://www.neccgroupp.com)) and on NSDL website ([www.evoting.nsdl.com](http://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 resolutions, if passed by requisite majority, shall be deemed to be passed on the date of the Annual General Meeting..
20. The Company is not providing Video Conferencing facility for this meeting.
21. The entire Annual Report is also available on the Company's website [www.neccgroupp.com](http://www.neccgroupp.com).

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

Sd/-

**Sunil Kumar Jain**

**(Chairman and Managing Director)**

**Place: Delhi**

**Date: September 07, 2019**

**DIN: 00010695**

## BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 34TH ANNUAL GENERAL MEETING

<b>Name</b>	<b>Mr. Sunil Kumar Jain</b>
<b>DIN</b>	00010695
<b>Date of Birth</b>	21st July, 1962
<b>Date of Appointment</b>	10th October, 1994
<b>Qualification</b>	Bachelor of Commerce from University of Delhi
<b>Expertise in specific Functional area</b>	<p>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, all regional offices and major branches in 2003. He equipped the vehicles with GPRS system.</p> <p>He enhances the effectiveness of group meetings by sharing his expertise on issues or questions that arise. He makes highly technical information interesting and understandable. He shows tenacity in solving technical problems. He has used his technical knowledge to generate numerous improvements in processes, procedures, and operations. He applied his expertise to the various Consignments relating to transport, logistics and contributed directly to the project's success.</p>
<b>Directorship held in other Companies</b>	<ol style="list-style-type: none"> <li>1. GAURANG DEVELOPERS PRIVATE LIMITED</li> <li>2. SUPER REALCON PRIVATE LIMITED</li> <li>3. SHREYANS LOGISTICS PRIVATE LIMITED</li> <li>4. N E C C LOGISTICS LIMITED</li> <li>5. SUVI DEVELOPERS PRIVATE LIMITED</li> <li>6. N E C C AUTOMOBILES PRIVATE LIMITED</li> <li>7. N E C C SECURITIES PRIVATE LIMITED</li> <li>8. INDIKA AGRO PRODUCTS PRIVATE LIMITED</li> <li>9. SHUBHI AGENCIES PRIVATE LIMITED</li> <li>10. N.E.C.C. FINANCIAL SERVICES PRIVATE LIMITED</li> </ol>
<b>Membership/ Chairmanship of Committees across all Public Companies other than NECC</b>	NECC Logistics Limited <ol style="list-style-type: none"> <li>1) Audit committee</li> <li>2) Stakeholder relationship committee</li> </ol>
<b>Number of Shares held in the Company</b>	Mr. Sunil Kumar Jain holds 8663769 equity shares (17.26%) in the Company.
<b>Relationships with other Directors, Manager and other Key Managerial Personnel</b>	Mr. Sunil Kumar Jain is one of the promoters of the Company. There is no relationship between any Directors of the Company except with Mr. Utkarsh Jain.



## BOARD'S REPORT



To  
 The Shareholders,  
 North Eastern Carrying Corporation Limited

Your Directors have immense pleasure in presenting the Thirty Fourth (34th) Annual Report together with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2019.

### 1. **PERFORMANCE HIGHLIGHTS**

1.1 The highlights of performance of the Company for the financial year 2018-19 were as under with comparative position of previous year's performance:

(Rs. in Lakhs)		
Particulars	2018-19	2017-18
Revenue from Operations	34292.13	38487.20
Profit before Tax	702.86	601.01
Tax Expenses	282.09	213.65
Net Profit for the year	453.45	387.36
Total Comprehensive Income	453.45	387.36
Earning per Share	0.90	1.12

### 1.2 **FINANCIAL PERFORMANCE**

During the year, the revenue from operations declined to Rs. 34292.13 Lakhs as against Rs. 38487.20 Lakhs in the previous financial year 2017-18 recording a decline of 11%. Our Net profit has increased to Rs. 453.45 Lakhs for the current financial year 2018-19 as against Rs. 387.36 Lakhs in the previous financial year 2017-18, recording an increase of 17 %.

### 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. 356 crore approx. from **TATA STEELS LIMITED** for transportation of their raw materials and mining products from its Sukinda mines situated in Odisha. The work order is valid from April 1, 2018 to March 31, 2021.
- Partial truck load Sundry Movement has increased from 53.91% in the previous year 2017-18 to 54.26% in the current year 2018-19.
- Full truck load has declined from 46.09% in the previous FY 2017-18 to 45.74% in the current FY 2018-19.
- 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 37% of total revenues in FY 2018-19 as compared to 33% in FY 2017-18, which is also a remarkable increment in contribution to Total Revenue.
- Rating of Crisil BBB-/stable on our long-term debt
- Your Company has completed its marvelous and glorious 50 years and the Company had celebrated its Golden Jubilee on 24th November, 2018 at Delhi.

### 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, 2019.

### 3. **SHARE CAPITAL**

As on March 31, 2019, 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 2018-19

#### **5. EXTRACT OF ANNUAL RETURN**

As per the requirements of Section 92(3) of the Act, the extract of the annual return is given in **Annexure-I** in the prescribed Form No. MGT-9, which is a part of this report & is also available on the website of the Company at [www.necgroup.com](http://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 2018-19 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 34th 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. Shyam Lal Yadav, Chief Financial Officer
2. Ms. Mamta Bisht, Company Secretary

#### **9. DIRECTOR 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, 2019, 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 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**

Members in their 32nd AGM had appointed M/s. Raj Achint & Associates, Chartered Accountants, (Firm Registration No. 022023N) as Statutory Auditors of the Company to hold office for a period of upto 5 (Five) years i.e. till the conclusion of the 37th AGM of the Company to be held in the Financial Year 2022, subject to ratification by the Members at every AGM of the Company.

Pursuant to the notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Act, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted. Accordingly, the Notice of ensuing AGM does not include the proposal for seeking Members approval for ratification of appointment of Statutory Auditors of the Company

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, 2019. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed to this report as **Annexure IV**.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2019 do not contain any qualification, reservation, adverse remark or disclaimer.

#### **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 II** 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.neccgroup.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 2018-19. 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 thereunder, 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 2018-19, 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.

During the financial year 2018-19, your Company has spent a total expenditure of Rs. 4,01,960/- 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. 78,165,174.67/-. It was hence required to spend Rs. 11,61,344/- on CSR activities during the Financial Year 2018-19, being 2% of the average net profits of the three immediately preceding financial years but due to avoidable circumstances 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 III**.

#### **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 2018-19.

#### **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 V**. None of the employees listed in the said Annexure is related to any Director of the Company.

#### **21. HUMAN RESOURCE MANAGEMENT**

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, 2019 was 513 employees which include Executives and Non-Executives. In order to increase the professional culture in the Company, 73 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.

• **REPRESENTATION OF WOMEN EMPLOYEES**

As on March 31, 2019, the Company had 18 women employees, which represent 4% 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. Accordingly, we have an Internal Compliant Committee which is constituted on March 27, 2017. Your Company has about 18 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. The Committee consists with following members:-

S. No.	Name & Designation	Post in the Internal Complaints Committee
1.	Ms. Mamta Rawat, Company Secretary	Presiding Officer & Chairperson
2.	Ms. Anita Mishra, Regional Accounts Head	Member
3.	Mr. Vinod Nair, HR & Legal Head	Member

There was no complaint received from any employee during the financial year 2018-19 and hence no complaint is outstanding as on March 31, 2019 for redressal.

**23. STATUTORY DISCLOSURES**

1. There was no change in the nature of business of the Company during the financial year 2018-19.
2. The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 during the financial year 2018-19.
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, 2019 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.

**24. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

**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.neccgroup.com](http://www.neccgroup.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
Extract Of Annual Return	I
Particulars of Contracts or Arrangement with Related Parties	II
Annual Report on CSR Activities	III
Secretarial Audit Report issued by the Secretarial Auditor of the Company	IV
Particulars of Employees and Remuneration as per Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	V

**28. 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.

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

Sd/-

**(Sunil Kumar Jain)**

Chairman & Managing Director

DIN: 00010695

**Place:** Delhi

**Date:** 13th August, 2019



**“ANNEXURE II” 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.	<b>Details of contracts or arrangements or transactions not at arm’s length basis</b>	<b>Not Applicable</b>
	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.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 10,000/-P.M. (Rupees Ten Thousand Only)	10.02.2016	Nil
2.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 30,000/-P.M. (Rupees Thirty Thousand Only)	10.02.2016	Nil
3.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 30,000/-P.M. (Rupees Thirty Thousand Only)	10.02.2016	Nil
4.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 20,000/-P.M. (Rupees Twenty Thousand Only)	10.02.2016	Nil
5.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only)	10.02.2016	Nil



6.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 18,000/-P.M. (Rupees Eighteen Thousand Only)	10.02.2016	Nil
7.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only)	10.02.2016	Nil
8.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 25,000/-P.M. (Rupees Twenty Five Thousand Only)	10.02.2016	Nil
9.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 25,000/-P.M. (Rupees Twenty Five Thousand Only)	10.02.2016	Nil
10.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 40,000/-P.M. (Rupees Forty Thousand Only)	10.02.2016	Nil
11.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 40,000/-P.M. (Rupees Forty Thousand Only)	10.02.2016	Nil
12.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 50,000/-P.M. (Rupees Fifty Thousand Only)	10.02.2016	Nil
13.	<b>Mrs. Vanya Jain</b> <b>Nature:</b> Mrs. Vanya Jain is spouse of Mr. Sunil Kumar Jain	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only)	10.02.2016	Nil
14.	<b>Mrs. Vanya Jain</b> <b>Nature:</b> Mrs. Vanya Jain is spouse of Mr. Sunil Kumar Jain	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 5,000/-P.M. (Rupees Five Thousand Only)	10.02.2016	Nil
15.	<b>Mr. Utkarsh Jain</b> <b>Nature:</b> Mr. Utkarsh Jain is the Whole-Time Director of NECC Ltd.	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 20,000/-P.M. (Rupees Twenty Thousand Only)	10.02.2016	Nil
16.	<b>Shreyans Buildtech Private Limited</b> <b>Nature:</b> Directors of the Company are in the Board of Shreyans Buildtech Private Limited	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only)	10.02.2016	Nil
17.	<b>Sunil Jain HUF</b> <b>Nature:</b> Mr. Sunil Kumar Jain is Managing Director of the Company and also the Karta of Sunil Jain HUF	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 36,000/-P.M. (Rupees Thirty Six Thousand Only)	10.02.2016	Nil

18.	<b>Sunil Jain HUF</b> <b>Nature:</b> Mr. Sunil Kumar Jain is Managing Director of the Company and also the Karta of Sunil Jain HUF	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 36,000/-P.M. (Rupees Thirty Six Thousand Only)	10.02.2016	Nil
19.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd	Lease Agreement	01.04.2017 to 31.03.2020	Rent of INR 10,000/-P.M. (Rupees Ten Thousand Only)	20.03.2017	Nil
20.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	01.04.2017 to 31.03.2020	Rent of INR 12,000/-P.M. (Rupees Twelve Thousand Only)	20.03.2017	Nil
21.	<b>Shreyans Buildwell Private Limited</b> <b>Nature:</b> Directors of the Company are in the Board of Shreyans Buildwell Private Limited	Lease Agreement	01.04.2018 to 31.03.2019	Rent of INR 30,386.67/-P.M. (Rupees Thirty Thousand Three Hundred and Eighty Six Only)	26.04.2018	Nil

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

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

**Place:** Delhi  
**Date:** 13th August, 2019

**“ANNEXURE III” TO THE BOARD’S REPORT**

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY  
FOR THE FINANCIAL YEAR 2018-19**

**1. BRIEF OUTLINE OF THE COMPANY’S CSR POLICY**

The ‘Corporate Social Responsibility Policy’ (CSR Policy) of the Company was formulated in line with the provisions of the Companies Act, 2013 read with the Rules made there under and approved by the Board of Directors.

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. 4,01,960/- (Rupees Four Lakhs One Thousand Nine Hundred and Sixty Only) towards Teachers’ Salary in the Financial Year 2018-19.

**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 Member	Designation
1.	Mr. Sunil Kumar Jain	Chairman
2.	Mrs. Reena Gupta	Member
3.	Mr. Utsav Jain	Member
4.	Mr. Shyam Lal Yadav	Executive Member
5.	Mr. Vinod Nair	Executive Member

**3. AVERAGE NET PROFIT IN LAST THREE FINANCIAL YEARS**

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

	(In Rs.)
Financial Year 2015-16	8,95,82,061
Financial Year 2016-17	8,91,38,664
Financial Year 2017-18	5,57,74,799
<b>Total</b>	<b>23,44,95,524</b>
Average Net Profit	7,81,65,174.67

**4. PRESCRIBED CSR EXPENDITURE**

Pursuant to Section 135 of the Companies Act, 2013 read with rules made there under, the prescribed limit of CSR expenditure is 2% of average net profit during the last three financial years i.e. Rs. 15,63,303/-. The Board of Directors approved CSR expenditure of Rs. 15,63,303/- for the Financial Year 2018-19.

**5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR**

- Total amount to be spent for the financial year: **Rs. 4,01,960/-**
- Amount unspent: **Rs. 11,61,344/-**

c. Manner in which the amount spent during the financial year: **Attached**

**6. IN CASE THE COMPANY HAS FAILED TO SPEND THE TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASONS FOR NOT SPENDING THE AMOUNT IN ITS BOARD REPORT**

The Company is failed to spend 2% of the average net profit of last three financial years due to unavoidable circumstances and paucity of time. 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.

**7. RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE**

The implementation and monitoring of CSR policy by the Company is in compliance with CSR objectives and Policy of the Company.

**For North Eastern Carrying Corporation Limited**

SD/-

**(Sunil Kumar Jain)**

**Managing Director & Chairman of CSR Committee**

**Place:** Delhi

**Date:** 13th August, 2019

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
<b>Education</b>								
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	Delhi		4,01,960/-		4,01,960/-	Direct

**“ANNEXURE IV” TO THE BOARD’S REPORT****FORM MR-3  
SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31st March, 2019

*[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 **North Eastern Carrying Corporation Limited** 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, 2019 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 **North Eastern Carrying Corporation Limited** (the Company) for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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:** 13th August, 2019

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:** 13th August, 2019

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

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

**“ANNEXURE I” TO THE BOARD’S REPORT**

**Form MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year ended on March 31, 2019**  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	L51909DL1984PLC019485
(ii)	Registration Date	December 05, 1984
(iii)	Name of the Company	North Eastern Carrying Corporation Limited
(iv)	Category/Sub-Category of the Company	Category: Public Listed Company Sub –Category: Limited by shares
(v)	Address of the Registered office and contact details	
	Address:	9062/47 Ram Bagh Road, Azad Market, Delhi-110006
	Contact Details:	Ph: 011-23517516-19, Fax: 011- 23527700
	E-mail:	<b>cs@neccgroup.com</b>
(vi)	Whether listed company Yes / No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any-	
	Name	MAS Services Limited
	Address	T-34, IInd Floor, Okhla Industrial Area Phase-II, New Delhi 110020
	Contact Details	Ph No.: 011-26387281-83 Fax : 011-26387384
	E-mail	info@masserv.com
	Website	www.masserv.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Transportation/Logistics	492 – Other Land Transport	100%

*\*As per National Industrial Classification, 2008 – Ministry of Statistics and Programme Implementation (Government of India).*

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
		NIL			

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**
**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	78,17,678	0	78,17,678	15.57	78,17,678	0	78,17,678	15.57	Nil
b) Central Govt	0	0	0	0	0	0	0	0	Nil
c) State Govt(s)	0	0	0	0	0	0	0	0	Nil
d) Bodies Corp.	1,96,22,432	0	1,96,22,432	39.09	1,96,22,432	0	1,96,22,432	39.09	Nil
e) Banks / FI	0	0	0	0	0	0	0	0	Nil
f) Any Other	0	0	0	0	0	0	0	0	Nil
Sub-total (A) (1):-	2,74,40,110	0	2,74,40,110	54.66	2,74,40,110	0	2,74,40,110	54.66	Nil
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	Nil
b) Other – Individuals	0	0	0	0	0	0	0	0	Nil
c) Bodies Corp.	0	0	0	0	0	0	0	0	Nil
d) Banks / FI	0	0	0	0	0	0	0	0	Nil
e) Any Other	0	0	0	0	0	0	0	0	Nil
Subtotal (A) (2)	0	0	0	0	0	0	0	0	Nil
Total share holding of Promoter (A)= (A)(1) + (A)(2)	2,74,40,110	0	2,74,40,110	54.66	2,74,40,110	0	2,74,40,110	54.66	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	Nil
b) Banks / FI	40,535	0	40535	0.08	30116	0	30116	0.06	0.02
c) Central Govt	0	0	0	0	0	0	0	0	Nil
d) State Govt(s)	0	0	0	0	0	0	0	0	Nil
e) Venture Capital Funds	0								
0	0	0	0	0	0	0	Nil		
f) Insurance Companies	0	0	0	0	0	0	0	0	Nil
g) FIs	0	0	0	0	0	0	0	0	Nil
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	Nil
i) Qualified Foreign Investors	0	0	0	0	0	0	0	0	Nil
i) Others (Foreign Portfolio Investors)	4,00,229	0	4,00,229	0.80	4,00,229	0	4,00,229	0.80	Nil
Subtotal (B)(1)	4,40,764	0	4,40,764	0.88	4,30,345	0	4,30,345	0.86	(0.02)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	75,19,610	0	75,19,610	14.98	67,60,279	0	67,60,279	13.47	(1.51)
ii) Overseas	0	0	0	0					
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh	94,46,012	1,81,476	96,27,488	19.18	94,38,737	1,43,140	95,81,877	19.09	(0.09)
ii) Individual shareholders holding nominal Share capital in excess of Rs 1 Lakh	46,27,694	24,200	46,51,894	9.27	55,61,888	0	55,61,888	11.08	1.80

<b>c) Others</b>									
-Clearing Members	4,17,958	0	4,17,958	0.83	204781	0	204781	0.41	(0.42)
-Non- Resident Indians	99512	0	99512	0.20	218056	0	218056	0.43	0.23
-NBFCs Registered with RBI	0	0	0	0	0	0	0	0	Nil
<b>Subtotal (B)(2)</b>	<b>2,21,10,786</b>	<b>2,05,676</b>	<b>2,23,16,462</b>	<b>44.46</b>	<b>22183741</b>	<b>143140</b>	<b>22326881</b>	<b>44.48</b>	<b>0.02</b>
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>2,25,51,550</b>	<b>2,05,676</b>	<b>2,27,57,226</b>	<b>45.34</b>	<b>22614086</b>	<b>143140</b>	<b>22757226</b>	<b>45.34</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs/ ADRs	0	0	0	0	0	0	0	0	Nil
<b>Grand Total (A+B+C)</b>	<b>4,99,91,660</b>	<b>2,05,676</b>	<b>5,01,97,336</b>	<b>100</b>	<b>5,00,54,196</b>	<b>1,43,140</b>	<b>5,01,97,336</b>	<b>100</b>	<b>Nil</b>

**ii. Shareholding of Promoters:**

S No.	Shareholder's Name	No. of Shares held at the beginning of the year (April 1, 2018)			No. of Shares held at the end of the year (March 31, 2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Sunil Kumar Jain	76,63,768	15.27	0	76,63,768	15.27	0	NIL
2.	Utkarsh Jain	1,53,910	0.31	0	1,53,910	0.31	0	NIL
3.	Suvi Developers Private Limited	36,31,400	7.23	0	36,31,400	7.23	0	NIL
4.	NECC Securities Private Limited	76,56,880	15.25	0	76,56,880	15.25	0	NIL
5.	NECC Automobiles Private Limited	83,34,152	16.60	0	83,34,152	16.60	0	NIL
<b>TOTAL</b>		<b>2,74,40,110</b>	<b>54.66</b>	<b>0</b>	<b>2,74,40,110</b>	<b>54.66</b>	<b>0</b>	<b>NIL</b>

**iii. Change in Promoters' Shareholding**

S. No.	No. of Shares held at the end of the year (March 31, 2019)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date	Reason	Increase/ decrease in shareholding		Cumulative shareholding during the year	
		No. of Shares	% total of shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>RELIGARE FINVEST LTD</b>								
	At the Beginning of the Year	60,36,494	12.03		No Change				
	At the End of the Year							60,36,494	12.03
2.	<b>PEEYUSH KUMAR AGGARWAL</b>								
	At the Beginning of the Year	14,52,092	2.89		No Change				
	At the End of the Year							14,52,092	2.89

3.	<b>PADMA LATHA</b>								
	At the Beginning of the Year	55000	0.35						
				15.02.2019	Increase	57206	0.11	57206	0.113
	At the End of the Year							112206	0.223
4.	<b>RAJENDRA PRASAD AGARWAL</b>								
	At the Beginning of the Year	10	0.00						
				29.03.2019	Increase	336166	0.66	336166	0.66
	At the End of the Year							336176	0.67
5.	<b>ANOOP JAIN</b>								
	At the Beginning of the Year	97996	0.195						
				No Change					
	At the End of the Year							97996	0.195
6.	<b>KARVY STOCK BROKING LTD</b>								
	At the Beginning of the Year	176188	0.35						
				06.04.2018	Decrease	701	0.00	701	0.00
				13.04.2018	Decrease	3860	0.01	3860	0.01
				20.04.2018	Decrease	3585	0.01	3585	0.01
				27.04.2018	Decrease	4216	0.01	4216	0.01
				04.05.2018	Increase	37	0.00	37	0.00
				11.05.2018	Decrease	3777	0.01	3777	0.01
				18.05.2018	Increase	62	0.00	62	0.00
				25.05.2018	Increase	599	0.00	599	0.00
				01.06.2018	Decrease	1866	0.00	1866	0.00
				08.06.2018	Decrease	544	0.00	544	0.00
				15.06.2018	Increase	1936	0.00	1936	0.00
				22.06.2018	Decrease	188	0.00	188	0.00
				29.06.2018	Increase	2235	0.00	2235	0.00
				06.07.2018	Increase	823	0.00	823	0.00
				13.07.2018	Increase	685	0.00	685	0.00
				20.07.2018	Increase	4818	0.01	4818	0.01
				27.07.2018	Increase	4016	0.01	4016	0.01
				03.08.2018	Increase	1123	0.00	1123	0.00
				10.08.2018	Decrease	5631	0.01	5631	0.01
				17.08.2018	Increase	2469	0.00	2469	0.00
				24.08.2018	Increase	608	0.00	608	0.00
				31.08.2018	Decrease	1180	0.00	1180	0.00
				07.09.2018	Decrease	1846	0.00	1846	0.00
				14.09.2018	Increase	1074	0.00	1074	0.00
				21.09.2018	Decrease	3674	0.01	3674	0.01
				28.09.2018	Decrease	2634	0.01	2634	0.01
				05.10.2018	Increase	5746	0.01	5746	0.01
				12.10.2018	Increase	1591	0.00	1591	0.00
				19.10.2018	Decrease	239	0.00	239	0.00
				26.10.2018	Increase	901	0.00	901	0.00
				02.11.2018	Decrease	871	0.00	871	0.00
				09.11.2018	Increase	1	0.00	1	0.00
				16.11.2018	Decrease	130	0.00	130	0.00
				23.11.2018	Increase	1413	0.00	1413	0.00
				30.11.2018	Decrease	2185	0.00	2185	0.00
				07.11.2018	Decrease	1162	0.00	1162	0.00
				14.12.2018	Increase	471	0.00	471	0.00

				21.12.2018	Decrease	1104	0.00	1104	0.00
				28.12.2018	Decrease	272	0.00	272	0.00
				31.12.2018	Decrease	11	0.00	11	0.00
				04.01.2019	Decrease	1367	0.00	1367	0.00
				11.01.2019	Decrease	338	0.00	338	0.00
				18.01.2019	Decrease	301	0.00	301	0.00
				25.01.2019	Decrease	353	0.00	353	0.00
				01.02.2019	Decrease	2200	0.00	2200	0.00
				08.02.2019	Decrease	124	0.00	124	0.00
				15.02.2019	Decrease	1502	0.00	1502	0.00
				22.02.2019	Decrease	608	0.00	608	0.00
				01.03.2019	Decrease	225	0.00	225	0.00
				08.03.2018	Decrease	975	0.00	975	0.00
				15.03.2019	Increase	2023	0.00	2023	0.00
				22.03.2019	Decrease	312	0.00	312	0.00
				29.03.2019	Increase	3453	0.01	3453	0.01
	At the End of the Year							164291	0.33
7.	<b>BOLAI LAL KUNDU</b>								
	At the Beginning of the Year	28763	0.05						
				06.04.2018	Decrease	1000	0.001	1000	0.001
				22.06.2018	Increase	1000	0.001	1000	0.001
				27.07.2018	Increase	61237	0.12	61237	0.12
	At the End of the Year							90000	0.18
8.	<b>SHIVMANI VINIMAY PRIVATE LIMITED</b>								
	At the Beginning of the Year	401922	0.801						
				06.04.2018	Increase	10576	0.021	10576	0.021
				13.04.2018	Increase	2000	0.003	2000	0.003
				04.05.2018	Decrease	356298	0.709	356298	0.079
				11.05.2018	Decrease	56700	0.113	56700	0.113
				25.05.2018	Decrease	416	0.000	416	0.000
				08.06.2018	Decrease	84	0.000	84	0.000
				21.09.2018	Increase	335166	0.667	335166	0.667
	At the End of the Year							336166	0.667
9.	<b>SANGEETA JAIN</b>								
	At the Beginning of the Year	80000	0.159	No change					
	At the End of the Year							80,000	0.159
10.	<b>RAKESH KUMAR BANSAL</b>								
	At the Beginning of the Year	1000000	1.99						
				No Change					
	At the End of the Year							1000000	1.99
11.	<b>CAPSTON CAPITAL PARTNERS</b>								
	At the Beginning of the Year	350229	0.70						
				No Change					
	At the End of the Year							350229	0.70
12.	<b>GLOBE CAPITAL MARKET LIMITED</b>								
	At the Beginning of the Year	103671	0.21						
				06.04.2018	Decrease	9380	0.02	9380	0.02
				13.04.2018	Decrease	1868	0.00	1868	0.00

				20.04.2018	Decrease	440	0.00	440	0.00
				27.04.2018	Increase	1008	0.00	1008	0.00
				04.05.2018	Increase	1584	0.00	1584	0.00
				11.05.2018	Decrease	5037	0.01	5037	0.01
				18.05.2018	Increase	57866	0.12	57866	0.12
				25.05.2018	Decrease	8266	0.02	8266	0.02
				01.06.2018	Decrease	858	0.00	858	0.00
				08.06.2018	Decrease	28687	0.06	28687	0.06
				15.06.2018	Decrease	1518	0.00	1518	0.00
				22.06.2018	Increase	2579	0.01	2579	0.01
				29.06.2018	Increase	280	0.00	280	0.00
				06.07.2018	Decrease	29488	0.06	29488	0.06
				13.07.2018	Decrease	325	0.00	325	0.00
				20.07.2018	Increase	430	0.00	430	0.00
				27.07.2018	Decrease	23	0.00	23	0.00
				03.08.2018	Increase	419	0.00	419	0.00
				10.08.2018	Decrease	925	0.00	925	0.00
				17.08.2018	Increase	1770	0.00	1770	0.00
				24.08.2018	Decrease	470	0.00	470	0.00
				31.08.2018	Decrease	2581	0.01	2581	0.01
				07.09.2018	Increase	500	0.00	500	0.00
				14.09.2018	Decrease	2637	0.01	2637	0.01
				21.09.2018	Increase	1018	0.00	1018	0.00
				28.09.2018	Increase	3771	0.01	3771	0.01
				05.10.2018	Decrease	2284	0.00	2284	0.00
				12.10.2018	Decrease	1721	0.00	1721	0.00
				19.10.2018	Increase	130	0.00	130	0.00
				26.10.2018	Decrease	84	0.00	84	0.00
				02.11.2018	Decrease	2021	0.00	2021	0.00
				09.11.2018	Increase	398	0.00	398	0.00
				16.11.2018	Decrease	472	0.00	472	0.00
				23.11.2018	Increase	456	0.00	456	0.00
				30.11.2018	Decrease	2448	0.00	2448	0.00
				07.12.2018	Increase	400	0.00	400	0.00
				14.12.2018	Decrease	300	0.00	300	0.00
				21.12.2018	Decrease	425	0.00	425	0.00
				01.01.2019	Increase	200	0.00	200	0.00
				18.01.2019	Decrease	197	0.00	197	0.00
				25.01.2019	Decrease	290	0.00	290	0.00
				08.02.2019	Decrease	100	0.00	100	0.00
				08.03.2019	Increase	4000	0.01	4000	0.01
				15.03.2019	Decrease	2900	0.01	2900	0.01
				22.03.2019	Decrease	200	0.00	200	0.00
				29.03.2019	Increase	3200	0.01	3200	0.01
	At the End of the Year							77735	0.15
13.	<b>ADITYA BIRLA MONEY LIMITED</b>								
	At the Beginning of the Year	121796	0.243						
				06.04.2018	Decrease	9470	0.02	9470	0.02
				13.04.2018	Decrease	1239	0.00	1239	0.00
				20.04.2018	Increase	415258	0.83	415258	0.83



				27.04.2018	Increase	9355	0.02	9355	0.02
				04.05.2018	Decrease	164108	0.33	164108	0.33
				11.05.2018	Increase	64600	0.13	64600	0.13
				18.05.2018	Decrease	68100	0.14	68100	0.14
				25.05.2018	Increase	5425	0.01	5425	0.01
				01.06.2018	Decrease	9252	0.02	9252	0.02
				08.06.2018	Increase	2891	0.01	2891	0.01
				15.06.2018	Decrease	950	0.00	950	0.00
				22.06.2018	Decrease	2690	0.01	2690	0.01
				29.06.2018	Decrease	11138	0.02	11138	0.02
				06.07.2018	Decrease	3748	0.01	3748	0.01
				13.07.2018	Decrease	5170	0.01	5170	0.01
				20.07.2018	Increase	500	0.00	500	0.00
				27.07.2018	Decrease	3400	0.01	3400	0.01
				03.08.2018	Increase	912	0.00	912	0.00
				10.08.2018	Decrease	1618	0.00	1618	0.00
				17.08.2018	Increase	11205	0.02	11205	0.02
				24.08.2018	Decrease	10955	0.02	10955	0.02
				31.08.2018	Decrease	260	0.00	260	0.00
				07.09.2018	Increase	900	0.00	900	0.00
				14.09.2018	Increase	600	0.00	600	0.00
				21.09.2018	Decrease	337666	0.67	337666	0.67
				24.09.2018	Increase	1850	0.00	1850	0.00
				05.10.2018	Decrease	2530	0.01	2530	0.01
				12.10.2018	Increase	1180	0.00	1180	0.00
				19.10.2018	Increase	18500	0.04	18500	0.04
				26.10.2018	Decrease	13854	0.03	13854	0.03
				02.11.2018	Decrease	200	0.00	200	0.00
				09.11.2018	Decrease	6146	0.01	6146	0.01
				16.11.2018	Increase	391	0.00	391	0.00
				23.11.2018	Increase	2609	0.01	2609	0.01
				30.11.2018	Increase	1022	0.00	1022	0.00
				07.12.2018	Increase	262	0.00	262	0.00
				14.12.2018	Decrease	1698	0.00	1698	0.00
				21.12.2018	Increase	1974	0.00	1974	0.00
				31.12.2018	Decrease	200	0.00	200	0.00
				04.01.2019	Decrease	2836	0.01	2836	0.01
				11.01.2019	Decrease	2305	0.00	2305	0.00
				18.01.2019	Decrease	200	0.00	200	0.00
				15.02.2019	Increase	4720	0.01	4720	0.01
				22.02.2019	Decrease	5691	0.01	5691	0.01
				08.03.2019	Decrease	444	0.00	444	0.00
				15.03.2019	Increase	2983	0.01	2983	0.01
				22.03.2019	Decrease	2300	0.00	2300	0.00
				29.03.2019	Increase	86	0.00	86	0.00
				At the End of the Year				854	0.00

**v. Key Managerial Personnel**

S. No.	Name of the Director(s) and Key Managerial Personnel		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	% total of shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Sunil Kumar Jain (Chairman and Managing Director)</b>					
	At the beginning of the year		76,63,768	15.27		
	Date wise Increase / Decrease in Promoters Share holding	reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	No Change					
	At the End of the year				76,63,768	15.27
2.	<b>Mr. Utkarsh Jain, Whole Time Director</b>					
	At the beginning of the year		1,53,910	0.31		
	Date wise Increase / Decrease in Promoters Share holding	reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	No Change					
	At the End of the year				1,53,910	0.31
3.	<b>Mr. Shyam Lal Yadav, Chief Financial Officer (KMP)</b>					
	At the beginning of the year		6000	0.012		
	Date wise Increase / Decrease in Promoters Share holding	reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	June 7, 2018	Transfer	(1800)	(0.003)	(1800)	(0.003)
	June 7, 2018	Transfer	(200)	(0.000)	(200)	(0.000)
	At the End of the year				4000	0.007

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans	Unsecured	Deposits	Total
	Excluding Deposits	Loans		Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	44,59,57,583	2,00,00,000	-	46,59,57,583
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7,14,22,238	-	-	7,14,22,238
<b>Total (i+ii+iii)</b>	<b>51,73,79,821</b>	<b>2,00,00,000</b>	<b>NIL</b>	<b>53,73,79,821</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	247,622,526	1,375,000	-	248,997,526
Reduction	(62,706,708)	-	-	(62,706,708)
<b>Net Change</b>	<b>184,915,818</b>	<b>1,375,000</b>	<b>-</b>	<b>186,290,818</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	69,35,80,109	2,13,75,000	-	71,49,55,109
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	87,15,530	-	-	87,15,530
<b>Total (i+ii+iii)</b>	<b>70,22,95,639</b>	<b>2,13,75,000</b>	<b>NIL</b>	<b>72,36,70,639</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Managing Director	WTD	
		Sunil Kumar Jain	Utkarsh Jain	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	12,00,000	60,00,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission -as % of profit			
5	Others, please specify			
	Total (A)	48,00,000	12,00,000	60,00,000
	Ceiling as per the Act*	84,00,000	36,00,000	120,00,000

\*Section 196 and Section 197 read with the part II of Schedule V of the Companies Act, 2013

**B. REMUNERATION TO OTHER DIRECTORS:**

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Manoj Kumar Jain	Mr. Mohak Jain	Mr. Utsav Jain	
	Independent Directors				
	Fee for attending board / committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	Other Non-Executive Directors	Mrs. Reena Gupta			
	Fee for attending board / committee meetings	1,00,000			1,00,000
	Commission	-			-
	Others, please specify	-			-
	Total (2)	1,00,000			1,00,000
	Total (B)=(1+2)	1,00,000			1,00,000
	Total Managerial Remuneration	1,00,000			1,00,000
	Overall Ceiling as per the Act	N A			N A

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S. No.	Particulars of Remuneration	CEO	Key Managerial Personnel		
			Company Secretary	CFO	Total
	Independent Directors		Mamta Bisht	Shyam Lal Yadav	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	5,76,000	39,00,000	44,76,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil

	<b>Total</b>	<b>Nil</b>	<b>5,76,000</b>	<b>39,00,000</b>	<b>44,76,000</b>
--	--------------	------------	-----------------	------------------	------------------

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty		<b>NILL</b>			
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

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

**Place:** Delhi  
**Date:** 13th August, 2019

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

**“ANNEXURE V” 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 2018-2019:**

S. No.	Name(s) of Director(s)	Designation	Ratio to Median Remuneration
1.	Sunil Kumar Jain	Managing Director	36.70
2.	Utkarsh Jain	Whole-Time Director	9.17

**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 2018-2019:**

S. No.	Name(s) of KMP	Designation	Percentage Increase
1.	Shyam Lal Yadav	CFO & V.P.	8.33%
2.	Mamta Bisht	Company Secretary	9.33%

**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:	The median remuneration is increased by 1.61% approx. during the Financial Year.
ii)	Number of permanent employees on the rolls of company:	513
iii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year:	7.29% approx.
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:	During the year Remuneration of Managerial Personnel was not increased however there was average percentile increase of 7.29% approx. in the salary of other employees.
v)	Affirmation:	The Board affirms that the remuneration 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.	39,00,000	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	55	Green Carriers & Contractors Private Limited	0.008
RAVI GUPTA	Senior General Manager	26,40,000	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	53	G.I.R. Movers Private Limited	NIL

PANKAJ G. PANDYA	Regional Manager	15,00,000	Permanent	Bachelor of Commerce. He has an experience of almost 21 years in logistics Sector.	09/06/2016	56	V. Trans Private Limited	NIL
VINOD NAIR	Deputy General Manager	14,28,000	Permanent	B.A Honor's in Economics from DU and M.B.A, L.L.B. He has completed 23 years with the organization. He is handling all the legal compliances along with HR.	01/11/1995	53	D.P.S India Ltd (a Peerless Group Company), Abacus Computers Ltd, and Global Tele Systems (GTL)	0.002
DHARMENDRA KUMAR SINGH	Corporate Head - Operations	12,30,000	Permanent	Bachelor of Arts from Bihar University. He has vast experience of almost 16 yrs in marketing and operations.	14/01/2008	51	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
Mr. 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	57	-	15.27
Mr. SHYAM LAL YADAV	CFO & V.P.	39,00,000	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	56	Green Carriers & Contractors Private Limited	0.008
Mr. RAVI GUPTA	Senior General Manager	26,40,000	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	53	G.I.R. Movers Private Limited	NIL
Mr. PANKAJ G. PANDYA	Regional Manager	15,00,000	Permanent	Bachelor of Commerce. He has an experience of almost 21 years in logistics Sector.	09/06/2016	56	V. Trans Private Limited	NIL
Mr. VINOD NAIR	Deputy General Manager	14,28,000	Permanent	B.A Honor's in Economics from DU and M.B.A, L.L.B. He has completed 23 years with the organization	01/11/1995	53	D.P.S India Ltd (a Peerless Group Company), Abacus Computers Ltd, and Global Tele Systems (GTL)	0.002

Mr. DHARMENDRA KUMAR SINGH	Corporate Head - Operations	12,30,000	Permanent	Bachelor of Arts from Bihar University. He has vast experience of almost 16 yrs in marketing and operations.	14/01/2008	51	V. Trans Private Limited	0.003
Mr. 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	25	-	0.31
Mr. SURYA NATH SINGH	Senior Manager - Accounts	9,60,000	Permanent	Bachelor in Commerce and Cost & Works Accountant. He has been working with the company from almost 21 yrs. In field of Finance & Accounts.	20/12/1996	50	-	NIL
Mr. SHYAM SUNDER SHARMA	Regional Manager- South	9,00,000	Permanent	Bachelor in Arts. He has vast experience of almost 30 yrs	24/11/2018	58	IRC (India) Limited	NIL
Mr. PRAVESH KUMAR SHARMA	Regional Manager	8,70,000	Permanent	Bachelor in Science.	01/01/2019	43	Sugam Parivahan Limited	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

In spirit and Letter:	Transparency:	Stakeholder relationship:	Corporate structure:	Management as a Trustee:
satisfy both the Spirit of the law and letter of the Law	Ensure transparency and maintain a high level of Disclosure	Communicate, externally and truthfully, about how the Company is running internally	Have a simple and transparent corporate structure driven solely by business needs	Management is the trustee of the Shareholders' capital and not the owner

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, 2019, 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.

The Composition of Board of Directors as on March 31, 2019 was as follows:-

S. No.	Name of the Director	Director Identification Number (DIN)	Position
<b>Executive Directors</b>			
1.	Mr. Sunil Kumar Jain	00010695	Chairman and Managing Director
2.	Mr. Utkarsh Jain	05271884	Whole Time Director
<b>Non Executive Directors</b>			
3.	Mr. Manoj Kumar Jain	01887411	Independent Director
4.	Mr. Mohak Jain	02525330	Independent Director
5.	Mr. Utsav Jain	01609344	Independent Director
6.	Mrs. Reena Gupta	06966728	Non-Independent Director

## B. Other provisions as to Board and its Committees

### i. Details of Board Meetings held during the financial year 2018-19

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 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 2018-19, Eleven (11) meetings of Board of Directors of the Company were held on (i) April 26, 2018; (ii) May 14, 2018; (iii) May 30, 2018; (iv) July 13, 2018; (v) August 13, 2018; (vi) September 07, 2018; (vii) November 13, 2018; (viii) December 10, 2018; (ix) January 08, 2019; (x) February 14, 2019 and (xi) March 15, 2019.

### ii. Details of Director's attendance at Board Meetings and AGM held during the financial year 2018-19 and as per amended SEBI Listing Regulations, number of other Directorships/Committee Memberships:

Sl. No.	Name of Director	Meetings held during the tenure	Board Meetings		Attendance at last AGM (held on September 28, 2018)	As on March 31, 2019			
			Attended	Percentage of attendance		No. of other Directorships	No. of other Committee Memberships		Directorships held in other Listed Entities and Category of Directorship*
							As Chairman	As Member	
1.	Mr. Sunil Kumar Jain	11	11	100	Present	10	-	-	-
2.	Mr. Utkarsh Jain	11	11	100	Present	11	-	-	-
3.	Mr. Manoj Kumar Jain	11	9	81.82	Present	2	3	-	1. Advik Laboratories Ltd. (Director) 2. MPS Infotecnics Ltd. (Director)
4.	Mr. Mohak Jain	11	9	81.82	Absent	4	-	4	-
5.	Mr. Utsav Jain	11	8	72.73	Absent	1	-	5	-
6.	Mrs. Reena Gupta	11	9	81.82	Absent	1	-	2	1. AAR Shyam India Investment Co. Ltd. (Director)

- iii. In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sunil Kumar Jain, Chairman & Managing Director, shall retire by rotation at the 34th Annual General Meeting of the Company and being eligible, offers himself for re-appointment.
- iv. There is no inter-se relationship between the Directors except with and as on March 31, 2019 none of the Non-Executive Director of the Company holds any shares in the Company.

- v. 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 Director 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	The company Board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices

In the table below, the specific areas of focus or expertise of individual Board member 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:

Key Board qualifications					
Name of Director	Area of expertise				
	Financial Management	Logistics & Transportation sector	Risk Management	Leadership	Board practices and governance
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

Committees are a means of improving Board effectiveness in areas where more focused, specialized and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees consisting of Executive and Non-Executive / Independent Directors, which then report to the Board. All Committees have formally established terms of reference/ charter which defines the composition, scope and powers of the Committee, subject to revision/amendment as and when required.

As on March 31, 2019, 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

### 3.1 AUDIT COMMITTEE

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

- To comply with the requirements in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time and the requirements relating to Listing Regulations, as amended from time to time;
- review and monitor of auditor's independence and performance, and effectiveness of audit process;
- review of annual financial statements and auditor's report thereon before submission to the board for approval;
- approval or any subsequent modification of related party transactions;
- scrutiny of inter-corporate loans and investments;
- evaluation of internal financial controls and risk management systems and other related matters etc.;

#### ii. As on March 31, 2019, the composition of the Audit Committee was as under:

S. No.	Name of the Committee Members	Position in the Committee	Number of meetings			Attendance at AGM held on September 28, 2018
			Held during tenure of Director	Attended	Percentage of attendance	
1.	Mr. Manoj Kumar Jain	Chairman	5	5	100	Yes
2.	Mr. Mohak Jain	Member	5	5	100	No
3.	Mr. Utsav Jain	Member	5	5	100	No

All members of the Committee are financially literate, with Mr. Manoj Kumar Jain, Chairperson of the Committee, having the relevant accounting and financial management expertise. The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 28, 2018 to answer shareholders' queries.

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.

#### iii. Meeting Details:

The Audit Committee met at least once in each quarter and the maximum time gap between two Audit Committee meetings did not exceed the limit prescribed in Regulation 18 of the Listing Regulations. During the financial year 2018-19, five (5) meetings of the Audit Committee were held on (i) May 30, 2018; (ii) August 13, 2018; (iii) November 13, 2018; (iv) February 13, 2019; and (v). March 15, 2019.

### 3.2 NOMINATION AND REMUNERATION COMMITTEE.

#### (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:

- To comply with the requirements in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time and the requirements relating to Listing Regulations, as amended from time to time
- 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;
- formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- formulation of criteria for evaluation of performance of independent directors and the board of directors etc.;

**(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://neccgroup.com/wpcontent/uploads/2015/02/Nomination-Remuneration-Policy.pdf>

**(iii) Composition and Attendance during the year**

As on March 31, 2019, the composition of the Nomination and Remuneration Committee was as under:

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	2	2
2.	Mr. Mohak Jain	Member & Independent Director	2	2
3.	Mr. Utsav Jain	Member & Independent Director	2	2

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 28, 2018. As of March 31, 2019, 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 2 times on (i) May 30, 2018 and (ii) February 13, 2019.

**(v) Remuneration of Directors**

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 2018-19, 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	4	4
2.	Mr. Mohak Jain	Member & Independent Director	4	4
3.	Mr. Utsav Jain	Member & Independent Director	4	4

Mr. Manoj Kumar Jain, Chairman of the Stakeholders' Relationship Committee was present at the Annual General Meeting held on September 28, 2018.

**iii. Meeting Details:**

The Members of Stakeholders' Relationship Committee met 4 times on (i) May 30, 2018; (ii) August 13, 2018; (iii) November 13, 2018; and (iv) February 13, 2019 to review the status of pending of Shareholders/investors grievances.

**iv. Status of Shareholders/Investors Grievances**

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 2018-19, 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, 2019	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 institute a transparent monitoring mechanism for implementation of the CSR projects / programmes / activities undertaken by the Company;
5. to periodically submit the reports to the Board of Directors for their information, consideration and necessary directions etc.



**ii. Composition and Attendance during the year**

During the financial year 2018-19, 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) August 13, 2018; and (ii) March 15, 2019.

**3.5 RISK MANAGEMENT COMMITTEE**

Pursuant to the provisions of Regulation 21(5) of the SEBI Listing Regulations mandates top 500 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 2018-19, 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) August 13, 2018; and (ii) March 15, 2019.



#### 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
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
2016-17	September 28, 2017	10.00 A.M.	B-2, Aadarsh Sadan, Ashok Vihar, Phase-II, Delhi-110052	No Special Resolution was passed.
2015-16	September 30, 2016	11.00 A.M.	9062/47, Ram Bagh, Azad Market, Delhi-110006	1) Variation in the terms of appointment of Mr. Sunil Kumar Jain, Managing Director of the Company. 2) Variation in the terms of appointment of Mr. Utkarsh Jain, Whole-time Director of the Company.

During the financial year ended March 31, 2019, no special resolution was passed through postal ballot.

Further, the Company will continue to provide e-voting facility in the ensuing AGM to enable shareholders to exercise their right to vote through electronic means and the e-voting portal will be kept open for such period as mentioned in the Notice of 34th AGM.

#### 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.

As a responsible Corporate Citizen, your Company has actively supported the paperless initiative and Digitalization move and effected electronic delivery of Notice and Annual Report and other documents to those shareholders whose email ids were registered with the respective Depository Participants (DPs). Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with their Depository Participant (DP) or with the Registrar and Share Transfer Agent (R&TA) of the Company, for receiving communications in electronic form

#### 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://www.necgroup.com/wp-content/uploads/2016/03/Policy-on-Related-PartyTransaction-NECC.pdf>

#### 7. DISCLOSURES

- The Company has complied with all the requirements of Listing Regulations, the Companies Act, 2013, 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.
- 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 requirements and related to 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](http://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](http://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 2018-19.
- (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 2018-19 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 2018-19 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.

#### **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 [www.neccgroupp.com](http://www.neccgroupp.com). 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, 2019.

**Place: Delhi**

**Date: 13.08.2019**

**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 thereunder 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 and Managing Director that he has not denied any Director / Employee of NECC to access to the Competent Authority and that he has provided adequate safeguards and protection to the Complainants / Whistle Blowers from adverse personnel action during the financial year ended March 31, 2019 is as under:

**ANNUAL AFFIRMATION IN TERMS OF WHISTLE BLOWER POLICY OF THE COMPANY**

During the financial year 2018-19, 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: 13.08.2019**

**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.neccgroup.com](http://www.neccgroup.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 2018-19

Day and Date	Time	Venue
Monday, September 30, 2019	10.00 A.M.	B-2 Aadarsh Sadan, Ashok Vihar Phase-II Delhi-110052

### 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. Our tentative calendar for declaration of results for the financial year 2019-20 is as given below:

Quarter ending	Release of Results
For the Quarter ending June 30, 2019	Second week of August, 2019
For the Quarter and half year ending September 30, 2019	Second week of November, 2019
For the Quarter and nine months ending December 31, 2019	Second week of February, 2020
For the year ending March 31, 2020	Last week of May, 2020

In addition, the Board may meet on other dates as and when required.]

### 3. Book Closure Date

The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive).**

### 4. Listing of Equity Shares

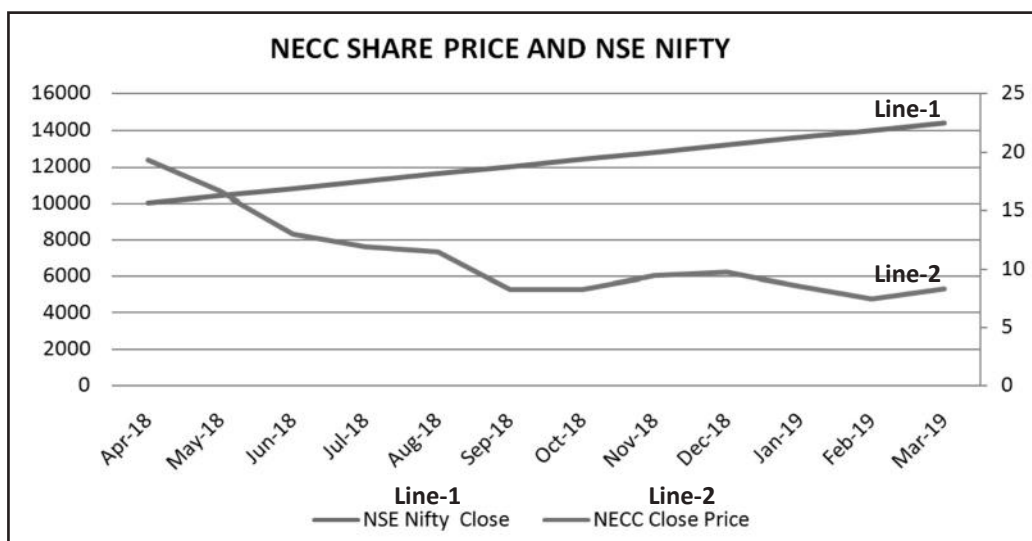
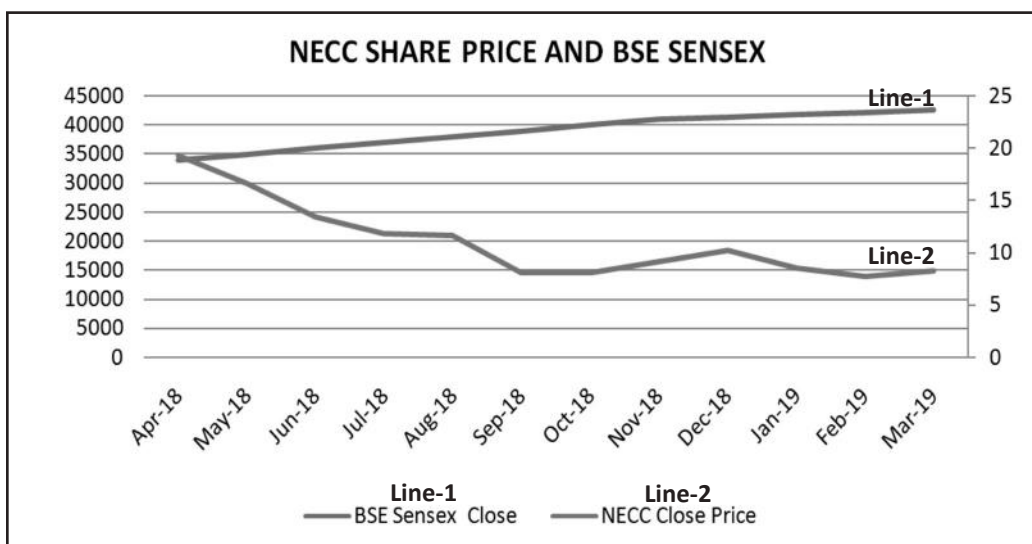
Equity shares of NECC are listed on the following Stock Exchanges:

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

### 5. Market price data for the financial year 2018-19

Market Price data- the monthly high and low prices of the Company's shares at BSE and NSE for the financial year 2018-19 are as follows:

Month	Performance of NECC share at NSE				Performance of NECC share at BSE			
	High (in Rs)	Low (in Rs)	Close (in Rs)	Total No. of Equity Shares Traded (in Lakhs)	High (in Rs)	Low (in Rs)	Close (in Rs)	Total No. of Equity Shares Traded (in Lakhs)
April, 2018	21.60	16.3	19.30	18.35	22	16.20	19.35	3.19
May, 2018	19.90	15.5	16.65	08.44	20	15.10	16.65	1.84
June, 2018	17.15	12.75	13.00	05.70	17.3	13.00	13.45	1.37
July, 2018	13.40	09.20	11.95	07.68	15.2	10.30	11.86	2.33
August, 2018	13.50	11.15	11.50	06.06	13.5	11.25	11.67	1.62
September, 2018	11.80	07.65	08.20	05.24	12.1	7.67	8.09	1.03
October, 2018	9.65	06.80	08.20	06.98	9.4	6.51	8.15	1.51
November, 2018	12.50	07.85	09.45	15.10	12.99	7.60	9.19	3.28
December, 2018	10.60	09.00	09.75	03.35	11.4	8.83	10.22	0.77
January, 2019	10.05	08.20	08.50	02.71	10	8.11	8.53	0.67
February, 2019	08.80	07.00	07.40	04.35	9.45	6.70	7.75	0.98
March, 2019	10.20	07.45	08.30	09.72	10.24	7.30	8.29	1.96
<b>Total Shares traded during the year</b>				<b>93.68</b>				<b>20.59.</b>



## 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](mailto:info@masserv.com), Website: [www.masserv.com](http://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, 2019

Shareholding of Nominal Value (in Rs.)	Number of shareholders	% to Total shareholders	Total Shares	Amount (in Rs.)	% of shares
1-5000	16174	97.64	8284729	82847290	16.50
5001 - 10000	245	1.43	1754539	17545390	3.50
10001 - 20000	99	0.58	1395911	13959110	2.78
20001 - 30000	25	0.15	614449	6144490	1.22
30001 - 40000	4	0.02	139732	1397320	0.28
40001 - 50000	8	0.05	360163	3601630	0.72
50001 - 100000	13	0.08	920506	9205060	1.83
100001 and above	12	0.07	36727307	367273070	73.17
<b>Total</b>	<b>16580</b>	<b>100</b>	<b>50197336</b>	<b>501973360</b>	<b>100.00</b>

##### SHAREHOLDING PATTERN AS ON MARCH 31, 2019

S. No.	Category of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Promoter & Promoter Group*	5	27440110	54.66
2	Foreign Portfolio Investors	2	400229	0.80
3	Financial Institutions Banks	1	30116	0.06
4	Individual	16325	15143765	30.17
5	Non resident Indians	62	218056	0.43
6	Clearing Members	73	204781	0.41
7	Bodies Corporate	112	6760279	13.47
	<b>Total</b>	<b>16580</b>	<b>50197336</b>	<b>100</b>

**\*Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group" as on March 31, 2019**

S. No.	Name of Promoter	Total Shares held	
		Number	Percentage (%)
1.	Sunil Kumar Jain	7663768	15.27
3	Utkarsh Jain	153910	0.31
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

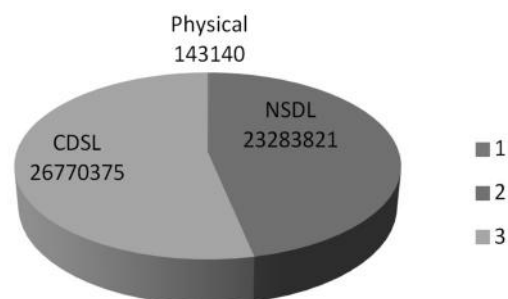
The shares of the Company is under process of dematerialized segment and available for trading under systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The names and addresses of the Depositories are as under:

<b>National Securities Depository Limited</b> Trade World, 4th Floor, Kamala Mills Compound Senapathi Bapat Marg, Lower Parel, Mumbai-400 013	<b>Central Depository Services (India) Limited</b> Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai-400 023
---	--

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, 2019 was as under

Category	Number of Shareholders	Number of Shares
Physical	97	143140
NSDL	7002	23283821
CDSL	9614	26770375
<b>Total</b>	<b>16713*</b>	<b>50197336</b>



\*Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, 133 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 2018-19 to NSE and BSE in relation to its listed securities.

#### 13. Annual Custodial Fees to Depositories

The Company has timely paid the annual custodian fee for financial year 2018-19 to NSDL and CDSL.

#### 14. 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.

#### 15. 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.



**16. 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@neccgroup.com

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

**Place: Delhi**

**Date: 13th August, 2019**

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](http://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, 2019 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.	Number (DIN)	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:** 5th August, 2019

**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, 2019 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:** 13.08.2019

**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, 2019, 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, 2019.

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:** 5th August, 2019

**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)*



The Management of the Company is pleased to present its report on Industry Scenario including Company performance during the financial year 2018-19.

**BUSINESS ENVIRONMENT****➤ Global Business Overview**

The global economic growth is moderating and is projected to be 3.1% in 2018, as the recovery in trade and manufacturing activities slows down. The global economy in 2018 had started with strong and synchronized growth. The global economy continues to expand but the expansion has weakened significantly, especially in the second half of 2018, owing to the escalation of US-China trade tensions, disruptions in the auto sector in Germany, tighter credit policies in China, weakening financial market sentiment and trade policy uncertainty alongside the normalization of monetary policy in the larger advanced economies. The global growth is expected to further slowdown to 2.9% in 2019 and 2.8% in 2020-21. The downward growth is due to softer dynamics among developed economies, which are approaching the tail-end of their current economic cycles.

The World Bank has also downgraded its outlook for the global economy this year, citing rising trade tension, weakening manufacturing activity and growing financial stress in emerging-market countries. It expects the world economy to grow 2.9% in 2019, the second straight year of slowing growth, from 3% in 2018 and 3.1% in 2017.

**➤ Indian Business Environment**

India continues its growth momentum and is estimated to reach GDP rate of around 7.0% in FY19 slowing down from 7.2% in FY 2018. Indian economy is presently 6th largest in the world, up from 11th position five years ago. In terms of purchasing power parity, India ranks 3rd largest in the world after China and USA. India is also the 3rd largest start-up base in the world with over 4,750 technology start-ups. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation and higher education enrolment, among other factors. Further, India moved up by 23 places in the World Bank's Ease of Doing Business Index 2018 and stood 77th surpassing many major economies.

The IMF, World Bank and RBI have reposed confidence in India's growth prospects and predicted a higher growth trajectory in the years ahead. For the financial year 2019-20, IMF has predicted India's growth forecast at 7.3%, World Bank has estimated a growth rate of 7.5% and RBI has forecasted a growth rate of 7.0%. Further, Bloomberg has predicted a 7.6% expansion in the country's GDP in fiscal 2020, up from a projected 7.2% in fiscal 2019 and 6.7% in fiscal 2018 and has estimated a growth potential of 8% - 8.5%.

**➤ Global Logistics Industry Overview**

The global logistic industry is estimated to grow at a CAGR of 7.4% during the 2018 to 2026 and reach a value of US\$ 16445.1. The valuation of global logistics and supply industry has increased with the expansion in e-commerce sector, fuelled by increased penetration of high-speed internet, advancements in technology and a rise in popularity towards online shopping. This will act as a steady driving force for the logistics industry over the next few years.

The Asia-Pacific (APAC) region currently accounts for the largest share in the logistics market. Primary growth factors for the logistics market in APAC include a growing middle-class population, rising disposable income, and increasing adoption of Internet and mobile services, all of which contribute to a significant growth of the region's e-commerce sales. Depending on these factors, the logistics market in APAC is expected to grow at a CAGR of over 13% during the forecast period.

**➤ Indian Logistics Industry Overview**

Indian logistics sector employs around 22 million people across the nation. The logistic sector, especially the road logistics, plays a vital role in facilitating economic activity and trade movement in the country. Post implementation of GST, the sector has witnessed series of developments, which have led to increased efficiency in the entire logistics ecosystem.

The growth was also backed by an increase in scope for warehousing, transportation, shipping services, express cargo delivery, container services and other similar services. E-commerce logistics has also arisen as a key focus area. Given the

integral part that logistics plays in the E-commerce value chain, many established players and specialized start-ups have entered this space.

The Indian logistic industry is poised to grow remarkably, due to support of Government initiatives like the E-way bill, GST, the National Logistic Policy amongst many other. This should also lead to improvement in the global metric, Logistic Policy Index (LPI) where India is currently ranked at number 44 and add to the GDP of the country.

## **OPPORTUNITIES & EMERGING TRENDS**

The logistics industry in India is incredibly critical to its economic growth. The sector is full of potential, but still lacks optimal utilization of resources. A number of start-ups are entering the sector and offering services like never before. With the advancements in technologies few opportunities for the industry have been identified below:

- ❖ **Third Party Logistics (3PL):** India's 3PL market, currently pegged at USD6bn, can potentially reach USD17bn by FY 2025. With the advancement in e-commerce and vendors trying to provide the fastest door to door services, the scope for 3PL has widened. Companies have increasingly started outsourcing their end-to-end logistics requirements to 3PL service providers, who take care of the total supply chain.
- ❖ **Technological Innovation:** A large part of opportunities in logistics will be powered by technology and associated innovation. A regular courier is handled around 20 times during its journey from its origin to the final place. With technological enhancements, this number will go down considerably in the future. Automation, in terms of material handling, information exchange, and telecommunications will play a large role to serve this purpose.
- ❖ **India's consumption growth and rapid urbanization:** The logistics industry in India is incredibly critical to its economic growth. Increased economic activity as well as changing consumer expectations will drive more businesses towards using logistics services. Retailers are now looking out for companies that can provide them with end-to-end logistic solution including warehousing, transportation and value added services enabling them to expand their reach while maintain their efficiency and cost.
- ❖ **Manufacturing initiative:** The Make in India program, launched by the government in September 2014, has made great progress in encouraging foreign companies to invest in India and make it a hub for manufacturing. This has rapidly fuelled the logistics sector as more production units have been initiated.
- ❖ **E-Commerce & Omni Channel in Logistics:**
  - **E-Commerce:** Backed by E-commerce the country's internet economy is likely to double to USD250 billion by 2020 from USD125 billion in 2017. Growing internet penetration with increased use of smart phones is leading to a connected India, which has led to e-businesses to expand to provide a single platform for various services, resulting in the rise of online shoppers.
  - **Omni-Channel:** Omni Channel has emerged as a faster and efficient way of transporting goods to customers. There has been a shift in consumer buying behavior with consumers expecting to find the products they want both in-store and online, to use technology to make purchases with the swipe of a finger and to have their purchase delivered to their doorstep the very next day. As a result, the businesses have to ensure cost-effective and on-time delivery across its supply chain, which is where Omni channel logistics comes into play.

## **CHALLENGES**

The Indian logistics sector faces many challenges like the under-developed material handling infrastructure, fragmented warehousing, multiple regulatory & policy making bodies, lack of seamless movement of goods across modes, minimal integrated IT infrastructure. These points are explained below in detail:

- **Infrastructure:** It is among a major challenge to the Indian logistics industry be it roads, sea ports or railways. Underdeveloped material handling, lack of the desired infrastructure, terminals seeking room for larger vessels and congestion due to less available capacity are few major concerns which needs to be met.
- **Cost Pressures:** The other challenge associated with the sector is the rising expenses. Higher costs in the Indian logistics sector exceed from Russia, Brazil and China. The lack of efficient inter-modal and multi-modal traditional systems are recognized as major reason behind the higher costs in the Indian logistics sector. Other

most important reason contributing to the higher expenses is fuel prices in transportation. Higher fuel prices are likely to increase transportation costs for shippers by pushing up fuel surcharges. Rising diesel fuel prices lead to escalation in surcharges added to freight rates.

- **Security:** This is another major concern in the Indian logistics industry, as goods are passed from one service provider to the other. They are kept in local warehouses and then delivered. Pilferage and theft of goods in transit is always an open risk for the owners or end consumers.
- **Advanced Customer Service options:** Due to improvements in technology and connectivity, consumers have built up an expectation of transparency and seamless communication. Transparency and real time updates about the status of delivery is expected from the service provider. Keeping up the customer expectations in this aspect at times becomes difficult, which may lead to mismatched expectations.
- **Fragmented Ownership:** Road transporters (especially small FTL operators) and general warehouse owners continue to suffer from low pricing power due to fragmented ownership in India
- **Inadequate Insurance Coverage:** Unlike more developed economies, all goods being transported are not insured. In fact, LSPs, warehouse service providers (WSPs) and transporters end up taking insurance on behalf of their customers for 'direct cash debits' for significantly high amounts. This is a huge cost, and the risk impact is not only on large organized players but on small transporters. Logistics service providers (LSPs) also continue to be highly vulnerable due to the often unfair allocation of risk between them and shippers. Shippers are sometimes absolved of liability even where they are at fault, and these costs are borne by the LSPs.
- **Contracts & Liability Issues:** The lack of standard contracts for transport services and integrated logistics services, are among the known weaknesses in the business practices of the sector. There is a need to introduce professional standards, certification, and contracts for logistics service providers. Some of the smaller LSPs, do not pay enough attention to the contract wordings, some are incapable of doing so and some helplessly accept one sided contract wordings. Many a time, Shippers tend to transfer their responsibilities and liabilities to the LSPs. Some corporates find it easy to take care of small claims by making deductions from the freight account payable. When liabilities arise, many of them are not able to defend their cause.
- **Technology & Automation:** The logistics industry in India faces numerous challenges in the application of new technologies which encompass automation, safety and security due to Slow & Poor adoption. Lack of technology systems and insufficient technical knowledge add to the pain. Technological infrastructure has remained inadequate, marked by slow network speeds, subpar performance, and unreliable hardware and software — all leading to high costs and underperformance.

### Government initiatives

The government has summarised its persistent obligation for improving the functionalities of Indian logistics with a key focus on infrastructure development. Aiming to improving supply chain efficiencies and improving connectivity to help logistics players tap the underleveraged markets in the country's surroundings, key Infrastructure development projects by the Government has been rolled out.

- **Investment & Funding:** The commerce and industry ministry has decided to invest in the sector with the purpose of building up initial infrastructure and a phase wise support. The Government has been investing in improving the overall logistic sector through various initiatives such as Sagarmala Project, DFC, UDAN scheme and Bharatmala Pariyojna. These projects are expected to uplift the overall efficiency in the sector as well as create an integrated logistic environment for India.
- **GST:** The regulatory norms like GST has also boosted the core competencies of the Indian logistics industry. It has led to a shift of business from unorganized to an organized sector making the industry more formal. Under the pre-GST system, companies built and managed multiple warehouses in every state of business operation – to avoid cross-border tax. This made supply chains longer, costlier, and highly inefficient, resulting in the formation of a highly scattered and unorganized logistics sector. Post GST introduction, prices reduced as it was no longer different for different states and made tax liabilities uniform across India. Since there is no tax arbitrage to be gained, companies, under the new tax structure, are free to make decisions on supply chain management solely based on operational efficiency. This has also led to an increase in overall efficiency, as the LSPs have been able to consolidate its network, larger warehouses, and larger tonnage trucks.



- **E-way Bill:** Post mandate of E-way bill, w.e.f. 1st April, 2018, the compliance burden has increased significantly for the entire value chain leading to greater compliance and transparency. E-way bill has led to faster movement of goods as it requires only a single document to cross boundaries of other states whereas, previously multiple documents were required. However, LSPs face certain challenges such as lack of sufficient IT infrastructure needed to track consignments and update e-way bill details, practical issues in movement of goods where order is cancelled or rejected while in transit and the burden of additional paper work that's leading to delays in shipments.
- **National Logistics Policy:** The Department of Commerce established a Logistics Division in July 2017 focusing on 'Integrated development of the Logistics sector'. The Logistics Division, Department of Commerce has initiated the draft National Logistics Policy. The key highlights of what the policy aims to provide are:
  - ✓ Impetus to trade
  - ✓ Improve India's rank in ease of doing Business
  - ✓ Enhance export competitiveness.
  - ✓ Improve India's ranking in the Logistics Performance Index from 44th rank to between 25 to 30.
  - ✓ Reduce losses due to agri-wastage to less than 5%
- **Digital Initiatives:** The federal government has also adopted new systems to overcome long-standing logistics challenges.
  - ✓ Geographical Information Systems (GIS) based National Highways Information System to overcome the traffic and transportation problems on road.
  - ✓ Rake Management System (RMS) for handling commercial transactions on Indian railways.
  - ✓ Implementation of Radio Frequency Identification (RFI) for identifying the movement of ships wirelessly using radio waves.

## **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 and Parchoon segment in 1999-2000. Since then it never looks back and achieved its target turnover for the Financial Year 2018-19.

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, 2019, the Company's total manpower stood at 513 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 2018-19 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:** 13th August, 2019

<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>TO THE MEMBERS OF NORTH EASTERN CARRYING CORPORATION LIMITED</b>	
<b>I. Report on the Audit of the Standalone Financial Statements</b>	
<b>1.</b>	<b>Opinion</b>
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, 2019, 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, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date
<b>2.</b>	<b>Basis for Opinion</b>
	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 thereunder, 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.
<b>3.</b>	<b>Information Other than the Standalone Financial Statements and Auditor's Report Thereon</b>
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 misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.
<b>4.</b>	<b>Management's Responsibility for the Standalone Financial Statements</b>
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.
<b>5.</b>	<b>Auditor's Responsibilities for the Audit of the Standalone Financial Statements</b>	
	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

<b>II. Report on Other Legal and Regulatory Requirements</b>	
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 thosebooks.
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 complywith 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of theAct.
F.	With respect to the adequacy of the internal financialcontrols over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “ <b>Annexure A</b> ”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’sinternal financial controls over financial reporting.
G.	With respect to the other matters to be included inthe 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 anyon its financial position in its Standalone Financial Statements
	ii) The Company has made provision, as required under the applicable law or accounting standards, for materialforeseeable 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 “ <b>Annexure B</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**

Sd/-  
**Raj Kumar Jain**  
**Proprietor**  
**M. No. 087941**

**Place: Delhi**  
**Date: 30.05.2019**



---

**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, 2019 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2019, 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**

Sd/-

Raj Kumar Jain

Proprietor

M. No. 087941

**Place:** Delhi

**Date:** 30.05.2019



---

**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, 2019:

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, following statutory dues are not deposited on account of dispute:-

<b>Nature of the Dues</b>	<b>Tax Amount under Contest (approx.) In Rs</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Income tax	2,12,030/-	FY 2012-13	ITAT
Income tax	1,53,960/-	FY 2012-13	CIT(Appeals)

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**

**Sd/-**  
**Raj Kumar Jain**  
**Proprietor**  
**M. No. 087941**

**Place: Delhi**  
**Date: 30.05.2019**

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2019**

PARTICULARS	Notes	As At 31.03.2019 Amt. In Rs.	As At 31.03.2018 Amt. In Rs.
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	14,98,37,499	13,37,08,676
(b) Intangible assets	5	5,33,74,000	5,33,74,000
(c) Financial Assets			
(i) Loans	6	4,36,02,186	4,10,75,892
(d) Deferred Tax Assets		54,41,017	38,07,061
		<u>25,22,54,702</u>	<u>23,19,65,629</u>
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Investments	7	0	0
(ii) Trade receivables	8	109,79,47,246	97,62,88,480
(iii) Cash and cash equivalents	9	6,02,15,497	4,61,32,234
(iv) Other Bank balances		0	0
(v) Loans	10	41,16,92,404	28,73,54,198
(b) Other current assets		0	0
		<u>156,98,55,147</u>	<u>130,97,74,912</u>
<b>Total Assets</b>		<u><b>182,21,09,849</b></u>	<u><b>154,17,40,541</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Share Capital	11	50,19,73,360	50,19,73,360
(b) Other Equity	12	36,70,34,146	32,16,89,359
		<u>86,90,07,506</u>	<u>82,36,62,719</u>
<b>Liabilities</b>			
<b>(2) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	6,40,65,639	9,57,64,474
		<u>6,40,65,639</u>	<u>9,57,64,474</u>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	65,96,04,999	44,16,15,346
(ii) Trade Payables	15	2,87,14,992	2,32,71,834
(b) Other Current Liabilities	16	8,44,93,462	7,28,70,516
(c) Provisions	17	11,62,23,251	8,45,55,651
		<u>88,90,36,704</u>	<u>62,23,13,347</u>
<b>Total Equity &amp; Liabilities</b>		<u><b>182,21,09,849</b></u>	<u><b>154,17,40,541</b></u>

Significant Accounting Policies 1,2,3  
 The Notes No. 1 to 38 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

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

Sd/-  
**Raj Kumar Jain**  
 Proprietor  
 M. No. 087941

Sd/-  
**Sunil Kumar Jain**  
 Managing Director  
 DIN : 00010695

Sd/-  
**Utkarsh Jain**  
 Director  
 DIN : 05271884

Place: Delhi  
 Date: 30.05.2019

Sd/-  
**Mamta Bisht**  
 Company Secretary  
 M. No. 30347

Sd/-  
**S. L. Yadav**  
 CFO

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

PARTICULARS	Notes	For the year ended 31.03.2019 Amt. In Rs.	For the year ended 31.03.2018 Amt. In Rs.
<b>INCOME</b>			
Revenue from operations	18	342,92,12,984	384,87,20,468
Other Income	19	1,37,90,691	94,02,552
<b>Total</b>		<b>344,30,03,675</b>	<b>385,81,23,020</b>
<b>EXPENSES</b>			
Operating/Direct Cost/Services Availed	20	298,47,65,578	340,20,36,473
Employee Benefit Expenses	21	14,50,80,509	13,79,59,157
Financial Costs	22	5,06,80,887	7,14,22,238
Depreciation and Amortization Expense	23	3,40,44,471	3,14,39,990
Other Administrative Expenses	24	15,81,46,111	15,51,63,697
<b>Total</b>		<b>337,27,17,556</b>	<b>379,80,21,555</b>
<b>Profit before exceptional and extraordinary items and tax</b>		7,02,86,119	6,01,01,465
<b>Exceptional Items</b>		0	0
Profit before extraordinary items and tax		7,02,86,119	6,01,01,465
Extraordinary Items		0	0
Profit before tax		7,02,86,119	6,01,01,465
<b>Tax expense:</b>			
(1) Provision for Current tax (Income Tax)		2,65,75,288	1,92,83,911
(2) Deferred Tax Savings/(Charge)		16,33,956	-11,26,108
(3) Provision for tax(Earlier year) W/back		0	9,55,093
Profit(Loss) from the period from continuing operations		4,53,44,787	3,87,36,353
Profit/(Loss) from discontinued operations		0	0
Tax expense of discontinued operations		0	0
Profit/(Loss) from Discontinued operations		0	0
<b>Profit/(Loss) for the period</b>		4,53,44,787	3,87,36,353
<b>Other comprehensive income</b>			
(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
<b>Total Other Comprehensive Income</b>		0	0
<b>Total Comprehensive Income for the year</b>		4,53,44,787	3,87,36,353
<b>Earning per equity share:</b>			
(1) Basic		0.90	1.12
(2) Diluted		0.90	1.12
Significant Accounting Policies	1,2,3		
The Notes No. 1 to 38 are integral part of these financial statements.			
Auditor's Report			
As per our separate report of even date attached			
<b>For M/s. Raj Achint &amp; Associates</b>			
Chartered Accountants			
Firm No: 022023N			
Sd/- <b>Raj Kumar Jain</b> Proprietor M. No. 087941		Sd/- <b>Sunil Kumar Jain</b> Managing Director DIN : 00010695	Sd/- <b>Utkarsh Jain</b> Director DIN : 05271884
Place: Delhi Date: 30.05.2019		Sd/- <b>Mamta Bisht</b> Company Secretary M. No. 30347	Sd/- <b>S. L. Yadav</b> CFO

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019**

	Amt. In Rs.	As At 31.03.2019 Amt. In Rs.	As At 31.03.2018 Amt. In Rs.
<b>A. Cash Flow From Operating Activities:</b>			
Net Profit before taxation	7,02,86,119		6,01,01,465
Add: Depreciation	3,40,44,471		3,14,39,990
Sub-Total	10,43,30,590		9,15,41,455
Add: Investment written off	0		1,00,000
Less: Profit on Sale of Fixed Assets	37,19,268		45,46,044
Less: Interest on Income Tax Refund/Other Interest	15,37,915		4,42,737
Operating Profit before working capital changes	9,90,73,407		8,66,52,674
 Add: Decrease in Sundry Debtors	(12,16,58,766)		29,02,55,433
Less: Increase in Loans & Advances	(12,68,64,500)		(5,32,19,080)
Add: Increase in Liabilities	4,87,33,704		3,16,86,708
Cash generated from operations	(10,07,16,155)		35,53,75,736
Less: Income Tax Paid/ Provided	2,65,75,288		2,02,39,004
Net Cash From Operating Activities (A)	(12,72,91,442)	(12,72,91,442)	33,51,36,732
 <b>B. Cash Flow From Investing Activities:</b>			
Add: Sale Proceeds of Fixed Assets	1,15,27,601		78,94,785
Add: Interest on Income Tax Refund/Other Interest	15,37,915		4,42,737
Less: Purchase of Fixed Assets	5,79,81,627		3,68,74,016
Net Cash Outflow from Investing Activities (B)	(4,49,16,111)	(4,49,16,111)	(2,85,36,494)
 <b>C. Cash Flow From Financing Activities:</b>			
Decrease in Secured Borrowings	18,49,15,818		(26,63,47,631)
Less: Decrease in Unsecured Loans	13,75,000		(3,00,00,000)
Net Cash Inflow from Financing Activities (C)	18,62,90,818	18,62,90,818	(29,63,47,631)
 Net Increase in Cash & Cash Equivalents (A+B+C)		1,40,83,265	1,02,52,606
Add: Cash & Cash Equivalents at beginning of Year		4,61,32,234	3,58,79,628
Cash & Cash Equivalents at end of Year		<u>6,02,15,497</u>	<u>4,61,32,234</u>

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

Place: Delhi  
Date: 30.05.2019

Sd/-  
**Sunil Kumar Jain**  
Managing Director  
DIN : 00010695

Sd/-  
**Utkarsh Jain**  
Director  
DIN : 05271884

Sd/-  
**Mamta Bisht**  
Company Secretary  
M. No. 30347

Sd/-  
**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 upon on the financial statements of the Company. Previous year figures have been re-grouped/re-arranged wherever considered necessary.

**For M/s. Raj Achint & Associates**  
Chartered Accountants  
Firm No: 022023N

Sd/-  
**Raj Kumar Jain**  
Proprietor  
M. No. 087941

Place: Delhi  
Date: 30.05.2019

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**Statement of Changes in Equity (SOCE) for the year ended March 31, 2019**

**A. Equity Share Capital**

Amount in Rs

Particulars	As at April 1, 2017	Change in equity share capital during the year	As at March 31, 2018	Change in equity share capital during the year	As at March 31, 2019
Equity Share	50,19,73,360	-	50,19,73,360	-	50,19,73,360

**B. Other Equity**

Amount in Rs

Particulars		Shree Ganesh Ji Maharaj	Reserves & Surplus	Total
			Retained Earnings	
<b>Balance as at April 1, 2017</b>		1,101	28,29,51,905	28,29,53,006
Profit for the period		0	3,87,36,353	3,87,36,353
Other comprehensive income (net of tax)		0	0	0
<b>Balance as at March 31, 2018</b>		<b>1,101</b>	<b>32,16,88,258</b>	<b>32,16,89,359</b>
Profit for the period		0	4,53,44,787	4,53,44,787
Other comprehensive income (net of tax)		0	0	0
<b>Balance as at March 31, 2019</b>		<b>1,101</b>	<b>36,70,33,045</b>	<b>36,70,34,146</b>

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

Sd/-  
**Sunil Kumar Jain**  
Managing Director  
DIN : 00010695

Sd/-  
**Utkarsh Jain**  
Director  
DIN : 05271884

Sd/-  
**Mamta Bisht**  
Company Secretary  
M. No. 30347

Sd/-  
**S. L. Yadav**  
CFO

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**Notes to the financial statements for the year ended March 31, 2019**

**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 2019 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.

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 recognized 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 are 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 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 becomes 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 stated as financial assets or financial liabilities are generally not offset, and they are only offset when legal rights 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 makes 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.

**Critical accounting estimates, assumptions and judgments**

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognised in the financial statement. Uncertainty about these assumptions and estimates could result in outcome that requires a material adjustment to assets or liabilities affected in future periods.

**i) Property, plant and equipment**

Property, Plant and equipment represent at 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 judgment 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 assets recoverable amount. An assets recoverable amount is the higher of an assets 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 financials 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 judgments 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	Computers	Office Equipment	Furniture & Fixtures	Electrical Installation & Fittings	Lorry & Trucks (SLM)*	Scoters & Cycles	Land	Building	Total	Goodwill	Total
<b>Gross Block</b>											
As at April 1, 2017	1,28,35,735	38,78,122	77,05,846	8,38,485	19,72,59,100	5,47,31,763	33,20,972	2,72,12,274	30,77,82,287	5,33,74,000	5,33,74,000
Additions	6,76,070	2,15,705	1,09,494	0	2,93,91,869	64,80,878	0	0	3,68,74,016	0	0
Disposal	32,550	26,000	0	0	4,48,68,011	1,51,98,253	0	0	6,01,24,814	0	0
Adjustments	0	0	0	0	0	0	0	0	0	0	0
As at April 1, 2018	1,34,79,255	40,67,827	78,15,340	8,38,485	18,17,82,958	4,60,14,378	33,20,972	2,72,12,274	28,45,31,489	5,33,74,000	5,33,74,000
Additions	5,80,326	2,13,682	2,57,143	0	5,16,67,069	52,63,407	0	0	5,79,81,627	0	0
Disposal	59,550	0	0	0	2,49,64,057	14,18,716	0	0	2,64,42,323	0	0
Adjustments	0	0	0	0	0	0	0	0	0	0	0
As at March 31, 2019	1,40,00,031	42,81,509	80,72,483	8,38,485	20,84,85,970	4,98,59,069	33,20,972	2,72,12,274	31,60,70,793	5,33,74,000	5,33,74,000
<b>Accumulated Depreciation</b>											
As at April 1, 2017	1,09,98,152	31,60,598	69,84,598	5,12,900	10,68,16,886	3,61,77,853	0	1,15,08,110	17,61,58,897	0	0
Depreciation for the period	10,77,969	3,62,016	1,21,055	89,307	2,22,67,435	67,57,415	0	7,64,793	3,14,39,990	0	0
Disposal	30,922	24,700	0	0	4,35,50,397	1,31,70,056	0	0	5,67,76,075	0	0
As at April 1, 2018	1,20,45,199	34,97,914	71,05,653	6,02,207	8,55,33,724	2,97,65,212	0	1,22,72,903	15,08,22,812	0	0
Depreciation for the period	7,20,420	2,55,437	1,34,707	64,591	2,61,02,939	60,38,830	0	7,27,547	3,40,44,471	0	0
Disposal	56,572	0	0	0	1,73,49,360	12,28,058	0	0	1,86,33,990	0	0
Adjustments	0	0	0	0	0	0	0	0	0	0	0
As at March 31, 2019	1,27,09,047	37,53,351	72,40,360	6,66,798	9,42,87,303	3,45,75,984	0	1,30,00,450	16,62,33,293	0	0

**Net carrying amount**

As at March 31, 2018	14,34,056	5,69,913	7,09,687	2,36,278	9,62,49,234	1,62,49,166	33,20,972	1,49,39,371	13,37,08,676	5,33,74,000	5,33,74,000
As at March 31, 2019	12,90,984	5,28,158	8,32,123	1,71,687	11,41,98,667	1,52,83,085	33,20,972	1,42,11,824	14,98,37,499	5,33,74,000	5,33,74,000

\* Includes the asset of Rs 2,24,66,737.50 which has not put to use till March 31, 2019

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

Sd/- <b>Sunil Kumar Jain</b> Managing Director DIN : 00010695	Sd/- <b>Utkarsh Jain</b> Director DIN : 05271884
--	---

Sd/- <b>Mamta Bisht</b> Company Secretary M. No. 30347	Sd/- <b>S. L. Yadav</b> CFO
---	-----------------------------------

**NORTH EASTERN CARRYING CORPORATION LIMITED**

**Notes forming part of Balance Sheet and Profit & Loss Statement for the year ended 31st March, 2019**

	<b>As On 31.03.2019 Amt.In (Rs.)</b>	<b>As On 31.03.2018 Amt.In (Rs.)</b>
<b>Note : 6 Non-Current Loans</b>		
(Unconfirmed, Unsecured and Considered Good)		
Security Deposits	1,81,581	1,81,581
Earnest Money Deposits	92,08,241	84,74,130
Landlord Security Deposits	3,42,12,364	3,24,20,181
<b>Total</b>	<b>4,36,02,186</b>	<b>4,10,75,892</b>
<b>Note : 8 Trade Receivables</b>		
(Unconfirmed, Unsecured and Considered Good)		
Debts outstanding for more than six months	9,99,68,848	8,39,53,108
Others Debts	99,79,78,398	89,23,35,372
<b>Total</b>	<b>109,79,47,246</b>	<b>97,62,88,480</b>
<b>Note : 9 Cash &amp; Cash Equivalent</b>		
Cash-in-Hand		
Cash in Hand	1,48,08,765	1,21,34,205
Funds In Transit	2,07,31,126	33,29,740
	<b>3,55,39,891</b>	<b>1,54,63,945</b>
<b>Bank Balance</b>		
Balance - In Current A/c	2,18,15,408	2,16,17,041
Fixed deposit under PMGKY (Three Years maturity)	17,50,000	17,50,000
Balance - In Fixed Deposits	11,10,198	73,01,247
	<b>2,46,75,606</b>	<b>3,06,68,288</b>
<b>Total</b>	<b>6,02,15,497</b>	<b>4,61,32,234</b>
<b>Note : 10 Loans</b>		
(Unconfirmed, Unsecured & Considered Good)		
(Advance recoverable in cash or in kind or for value to be recd.)		
Staff Advances	3,29,33,648	2,75,01,535
Rates & Taxes Receivable	3,33,23,132	1,19,00,986
Prepaid Expenses & Recoverables	19,98,344	3,81,246
Advance Income Tax/TDS (AY 17-18)	2,90,05,073	2,90,05,073
Advance Income Tax/TDS (AY 19-20)	4,28,65,519	0
Advance Income Tax/TDS (AY 18-19)	3,57,78,183	3,57,78,183
GST	6,87,503	0
Other Advances	23,38,86,527	18,19,76,115
Interest Accrued but not recieved on FDR	12,14,475	8,11,061
<b>Total</b>	<b>41,16,92,404</b>	<b>28,73,54,198</b>
<b>Note : 12 Other Equity</b>		
<b>Refer Statement of change in Equity for detailed movement in equity balance</b>		
Shree Ganesh Ji Maharaj	1,101	1,101
<b>Reserves &amp; Surplus</b>		
Retained Earnings	36,70,33,045	32,16,88,258
<b>Total</b>	<b>36,70,34,146</b>	<b>32,16,89,359</b>

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

Sd/-  
**Sunil Kumar Jain**  
Managing Director  
DIN : 00010695

Sd/-  
**Utkarsh Jain**  
Director  
DIN : 05271884

Sd/-  
**Mamta Bisht**  
Company Secretary  
M. No. 30347

Sd/-  
**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, 2019**

	<b>As On 31.03.2019 Amt.In (Rs.)</b>	<b>As On 31.03.2018 Amt.In (Rs.)</b>
<b>Note - 11: Share Capital</b>		
<b>Authorized Share Capital :</b>		
54000000 (54000000) Equity Shares of Rs 10 each	54,00,00,000	54,00,00,000
<b>Issued , Subscribed and fully paid up shares :</b>		
50197336 (50197336) Equity Shares of Rs 10 each fully paid up	50,19,73,360	50,19,73,360
<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period</b>		
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	7656880(15.25%)	7656880(15.25%)
Sunil Kumar Jain	7663768(15.27%)	7663768(15.27%)
Suvi Developers P Ltd	3631400(7.23%)	3631400(7.23%)
Religare Finvest Limited	6036494(12.03%)	6036494(12.03%)

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

Sd/-	Sd/-
<b>Sunil Kumar Jain</b>	<b>Utkarsh Jain</b>
Managing Director	Director
DIN : 00010695	DIN : 05271884

Sd/-	Sd/-
<b>Mamta Bisht</b>	<b>S. L. Yadav</b>
Company Secretary	CFO
M. No. 30347	

**NORTH EASTERN CARRYING CORPORATION LIMITED**

**Notes forming part of Balance Sheet and Profit & Loss Statement for the year ended 31st March, 2019**

	<b>As On 31.03.2019 Amt.In (Rs.)</b>	<b>As On 31.03.2018 Amt.In (Rs.)</b>
<b>Note : 13 Non Current Borrowings</b>		
Vehicle Loans:		
Kotak Mahindra Bank	52,34,990	1,57,35,400
ICICI Bank Ltd	5,07,432	2,82,176
HDFC Bank Limited	4,33,36,459	1,11,21,338
Yes Bank	0	69,345
(Secured against hypothecation of vehicles financed)		
 Kotak Mahindra Bank - Working Capital Term Loan (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)	 1,49,86,759	 6,85,56,216
<b>Total</b>	<b>6,40,65,639</b>	<b>9,57,64,474</b>
<b>Note : 14 Current Borrowings</b>		
HDFC Bank Limited	2,61,05,161	1,14,51,058
ICICI Bank Limited	4,73,745	3,39,269
Kotak Mahindra Bank	74,84,980	1,27,70,479
Yes Bank Ltd	69,345	84,795
BMW Financial Services Limited	0	16,86,418
(Secured against hypothecation of vehicles financed)		
 Kotak Mahindra Bank - Working Capital Term Loan	 5,36,53,120	 4,86,18,994
Kotak Mahindra Bank ( OD A/c)	40,04,48,855	34,66,64,333
DBS (O/D A/c)	14,99,94,795	0
(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)	 2,13,75,000	 2,00,00,000
<b>Total</b>	<b>65,96,04,999</b>	<b>44,16,15,346</b>
<b>Note : 15 Trade Payables</b>		
Sundry Creditors	2,87,14,992	2,32,71,834
<b>Total</b>	<b>2,87,14,992</b>	<b>2,32,71,834</b>

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

Sd/-  
**Sunil Kumar Jain**  
Managing Director  
DIN : 00010695

Sd/-  
**Utkarsh Jain**  
Director  
DIN : 05271884

Sd/-  
**Mamta Bisht**  
Company Secretary  
M. No. 30347

Sd/-  
**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, 2019**

	<b>As On 31.03.2019 Amt.In (Rs.)</b>	<b>As On 31.03.2018 Amt.In (Rs.)</b>
<b>Note : 16 Other Current Liabilities</b>		
Security Deposits	1,10,000	3,45,238
E. S. I. Payable	1,98,890	3,01,189
Provident Fund Payable	9,42,781	9,65,264
Professional Tax Payable	12,275	12,120
T. D. S. Payable	42,86,968	23,38,436
GST Payable	1,01,89,778	41,56,075
Bonus/ Ex-Gratia Payable	98,91,810	93,50,163
Lorry Freight Payable	2,51,82,918	2,29,76,893
Claim Payable	0	3,77,382
Other Expenses & Liabilities Payable	3,36,78,042	3,20,47,756
<b>Total</b>	<b>8,44,93,462</b>	<b>7,28,70,516</b>
<b>Note : 17 Current provisions</b>		
Provision for I. Tax (AY 2018-2019)	1,92,83,911	1,92,83,911
Provision for I. Tax (AY 2017-2018)	3,02,54,848	3,02,54,848
Provision for I. Tax (AY 2019-2020)	2,65,75,288	0
Provision for Gratuity	4,01,09,204	3,50,16,892
<b>Total</b>	<b>11,62,23,251</b>	<b>8,45,55,651</b>
<b>Note : 18 Revenue from Operations</b>		
Freight	339,63,68,997	381,77,79,864
Loading & Unloading	3,28,43,987	3,09,40,604
<b>Total</b>	<b>342,92,12,984</b>	<b>384,87,20,468</b>
<b>Note : 19 Other Income</b>		
Profit on sale of Fixed Assets	37,19,268	45,46,044
Discount on Finance	18,73,150	40,332
Insurance Claim	19,06,732	0
Interest received	15,37,915	4,42,737
Lorry Maintenance	9,36,261	0
Warehouse Income	38,17,365	43,73,439
<b>Total</b>	<b>1,37,90,691</b>	<b>94,02,552</b>
<b>Note : 20 Operating / Direct Cost/ Services Availed</b>		
Lorry Freight	293,21,00,453	335,42,70,852
Lorry Maintenance	0	33,31,415
Loading Expenses	2,66,66,748	3,09,63,833
Commission	1,34,62,042	98,84,294
Claims	1,25,36,334	35,86,080
<b>Total</b>	<b>298,47,65,578</b>	<b>340,20,36,473</b>

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

Sd/-  
**Sunil Kumar Jain**  
Managing Director  
DIN : 00010695

Sd/-  
**Utkarsh Jain**  
Director  
DIN : 05271884

Sd/-  
**Mamta Bisht**  
Company Secretary  
M. No. 30347

Sd/-  
**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, 2019**

	<b>As On 31.03.2019 Amt.In (Rs.)</b>	<b>As On 31.03.2018 Amt.In (Rs.)</b>
<b>Note : 21 Employee Benefit Expenses</b>		
Establishment Expenses	11,93,88,921	11,56,33,516
PF/ESI	85,77,698	89,01,230
Gratuity	80,21,329	45,30,373
Recruitment & Training Expenses	0	5,09,060
Directors Remuneration	61,00,000	60,75,000
Staff Welfare	29,92,561	23,09,979
<b>Total</b>	<b>14,50,80,509</b>	<b>13,79,59,157</b>
<b>Note : 22 Financial Cost</b>		
Bank Interest	4,61,76,145	6,62,40,698
Finance Cost - Vehicles	45,04,742	51,81,540
<b>Total</b>	<b>5,06,80,887</b>	<b>7,14,22,238</b>
<b>Note : 23 Depreciation &amp; Amortised Cost</b>		
Depreciation	3,40,44,471	3,14,39,990
<b>Total</b>	<b>3,40,44,471</b>	<b>3,14,39,990</b>

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

Sd/-  
**Sunil Kumar Jain**  
Managing Director  
DIN : 00010695

Sd/-  
**Utkarsh Jain**  
Director  
DIN : 05271884

Sd/-  
**Mamta Bisht**  
Company Secretary  
M. No. 30347

Sd/-  
**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, 2019**

	As On 31.03.2019 <u>Amt.In (Rs.)</u>	As On 31.03.2018 <u>Amt.In (Rs.)</u>
<b>Note : 24 Other Administrative Expenses</b>		
Advertisement & Publicity	7,30,828	77,96,167
Books & Periodicals	14,255	15,358
Bad Debts	2,21,600	0
Business Promotion	23,285	17,209
Bank Charges & Comm.	50,29,970	20,07,655
Car Expenses	27,87,993	25,26,051
Conveyance & Scooter Petrol	14,90,018	16,19,234
Corporate Social Responsibility Expenditure	4,01,960	9,91,842
Diwali Expenses	10,42,574	10,83,121
Donations	4,26,000	4,15,000
Electricity & Water Charges	61,75,488	61,03,666
 Fees, Rates & Taxes	 23,87,775	 6,64,758
General Expenses	13,14,622	9,81,871
Generator Hire & Maintenance Charges	7,33,286	8,12,261
Insurance	44,73,964	21,37,889
Interest/Penalty on Late Deposit TDS	4,66,726	2,19,378
Investments written off	0	1,00,000
Interest on Late Deposit S. Tax/Additional Demand of S. Tax*	0	1,09,400
Interest on late deposit of GST	16,45,210	0
GST Late deposit Fees	20,73,854	0
GST	18,69,327	48,57,256
Internet Charges	8,76,539	13,59,569
Legal & Professional Expenses	1,01,35,558	67,10,117
Office Expenses	4,30,220	4,89,950
Packing & Forwarding Expenses	2,81,077	2,41,896
 Penalty	 17,824	 87,007
Payment to Auditors	3,00,000	1,50,000
Postage & Courier	16,18,790	17,62,021
Printing & Stationary	43,93,077	33,71,322
Rent	7,97,85,081	7,53,21,901
Repair & Maintenance	71,00,881	98,33,007
Scooter Expenses	26,45,076	25,06,661
Security Guard Charges	15,42,898	16,39,556
Service tax Penalty	4,62,732	0
Scholarship	1,05,000	1,30,000
Subscriptions	1,70,560	32,57,072
Telephone Expenses	27,90,028	39,21,050
Travelling Expenses	98,50,750	93,13,187
Warehouse Charges	23,31,285	26,11,263
<b>Total</b>	<b>15,81,46,111</b>	<b>15,51,63,697</b>

\*Also includes the service tax paid by the company under reverse charge mechanism, Swachh Bharat Expense and Service tax Input

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

Sd/-  
**Sunil Kumar Jain**  
Managing Director  
DIN : 00010695

Sd/-  
**Utkarsh Jain**  
Director  
DIN : 05271884

Sd/-  
**Mamta Bisht**  
Company Secretary  
M. No. 30347

Sd/-  
**S. L. Yadav**  
CFO

**25. 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**

<b>Name of the party</b>	<b>Description of relationship</b>
Sunil Kumar Jain	Key Management Personnel
Utkarsh Jain	Key Management Personnel

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

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**

(Amount in Rs.)

	<b>Key Managerial Personnel/Director</b>	<b>Relatives of Key Managerial Personnel</b>	<b>Enterprises over which Key Managerial Personnel are able to exercise significant influence</b>	<b>Others</b>
Rent Paid	73,20,000	9,60,000	12,64,640	8,64,000
Directors Remuneration	61,00,000	-	-	-
Loan Received	13,75,000	-	-	-
Personal/Corporate Guarantees obtained to the extent of loan taken by the Company	Yes	Yes	Yes	Yes

26. 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.

27. Contingent Liability not provided for:

- In Respect of Bank Guarantees issued by the bank on behalf of the company Rs 89,02,582/-
- For claims/shortage not ascertained nor settled during the year. Claims lodged by customers but not settled by the company Rs 11,25,174/-.
- Approximate Liability on account of major cases filed against the company in various courts aggregating to Rs 3,41,70,237/-
- Company is contesting Income Tax demand of Rs 2,12,030/- for AY 2013-2014 before ITAT and Rs 1,53,960/- for AY 2013-2014 before CIT (Appeals) for which company is contingently liable.

28. Sundry Debtors include freight receivable against GRs issued during the year.

29. Tax Deducted at Source (A.Y. 2019-2020) is not final as more TDS Certificates might be received by the company in future.

30. 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.

31. Deferred Tax has been created as per AS-22 issued by Institute of Chartered Accountants of India.

Particulars	Deferred Tax Assets/(Liability) as at 01.04.2018	Deferred Tax Credit/(Charge) for the year	Deferred Tax Asset/(Liability) as at 31.03.19
On account of difference between book & tax dep.	(77,70,574)	(1,78,466)	(79,49,040)
On account of provision of gratuity	1,15,77,635	18,12,422	1,33,90,057
<b>Total</b>	<b>38,07,061</b>	<b>16,33,956</b>	<b>54,41,017</b>

32. The debit and credit balances standing in the name of parties are subject to confirmation from them.

33. The company has not received any intimation from “suppliers” regarding their status under Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been furnished.

34. 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.

**35. 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:

	<b>March 31, 2019 (In Rs)</b>	<b>March 31, 2018 (In Rs)</b>
Employer's Contribution to Provident Fund	60,79,935	62,56,576

**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**

	<b>Gratuity (unfunded) March 31, 2019</b>	<b>Gratuity (unfunded) March 31, 2018</b>
Discount Rate (per annum)	7.2%	7.5%
Salary Escalation	8.0%	8.0%
Attrition rate	15.0%	15.0%
Mortality Rates	100% of India Assured Lives 200-08 Mod Ult	100% of India Assured Lives 200-08 Mod Ult

**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. Expenses recognized in statement of profit & loss

	<b>Gratuity (unfunded) March 31, 2019 in Rs</b>	<b>Gratuity (unfunded) March 31, 2018 in Rs</b>
Net defined benefit liability	4,01,09,204	3,50,16,892

3. Expenses recognized in statement of profit & loss

	<b>Gratuity (unfunded) March 31, 2019 in Rs</b>	<b>Gratuity (unfunded) March 31, 2018 in Rs</b>
Expense recognized in Profit & Loss	80,21,329	45,30,373

36. Being a service company quantitative information/clause are not applicable.

37. Payment to Auditors Amt. In Rs.  
Audit Fee Rs.3,00,000/- (Previous Year Rs.1,50,000/-)

38. 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

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

Sd/-  
**Raj Kumar Jain**  
Proprietor  
M.No. 087941

Sd/-  
**Sunil Kumar Jain**  
Managing Director  
DIN: 00010695

Sd/-  
**Utkarsh Jain**  
Director  
DIN: 05271884

Place Delhi  
Date: 30.05.2019

Sd/-  
**Mamta Bisht**  
Company Secretary  
M. No. 30347

Sd/-  
**S.L. Yadav**  
CFO

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi-110006**  
**CIN: L51909DL1984PLC019485, Ph: 011-23517516-19, Fax: 011-23527700**  
**Email: cs@necgroup.com, Website: www.necgroup.com**



**ATTENDANCE SLIP**

**34th ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, 30th SEPTEMBER, 2019 AT 10.00 A.M. AT B-2, AADARSH SADAN, ASHOK VIHAR, PHASE II, DELHI-110052**

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
*Folio no.	
DP ID No.	
Client ID No.:	
No. of share held:	
NAME OF PROXY (IN BLOCK LETTERS) to be filled in, if the proxy attends instead of the member	

I/We hereby record my/our presence at the 34th Annual General Meeting of the Company held on Monday, September 30, 2019 at 10:00 A.M. at B-2, Aadarsh Sadan, Ashok Vihar, Phase II, Delhi-110052.

\_\_\_\_\_  
Signature of Member/ Proxy

*\*Applicable in case of Shares held in Physical Form*

**NOTES: 1. The attendance slip should be signed as per the specimen signature registered with MAS Services Limited, Registrar & Transfer Agent (R&TA)/ Depository Participant (DP). Such duly completed and signed Attendance Slip(s) should be handed over at the R&TA counter(s) at the venue against which R&TA will provide Entry Slip. Entry to the hall will be strictly on the basis of Entry Slip as provided by R&TA. 2. Shareholder(s) present in person or through registered proxy shall only be entertained. 3. Shareholder(s)/ proxy holder(s) will be required to take care of their belonging(s). 4. No gifts/coupons will be distributed at the Annual General Meeting.**

**ROUTE MAP FOR AGM VENUE**





**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi-110006**  
**CIN: L51909DL1984PLC019485, Ph: 011-23517516-19, Fax: 011-23527700**  
**Email: cs@necgroup.com, Website: www.necgroup.com**



**PROXY FORM (FORM NO. MGT-11)**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Member(s):	Folio No/ DP ID- Client ID:
Regd. Address:	
No. of Shares Held:	E-mail Id:
I/We being the member(s) of _____ shares of North Eastern Carrying Corporation Limited, hereby appoint:	
Name:	Signature
Address:	
Email Id:	
or failing him/ her	
Name:	Signature
Address:	
Email Id:	
or failing him/ her	
Name:	Signature
Address:	
Email Id:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 10:00 A.M. at B-2, Aadarsh Sadan, Ashok Vihar Phase II, Delhi-110052 and at any adjournment thereof in respect of such businesses as are indicated overleaf:

S. No.	Particulars
<b>Ordinary Business</b>	
1.	To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 along with the Reports of the Board of Directors and Auditors thereon.
2.	To appoint a Director in place of Mr. Sunil Kumar Jain (DIN: 00010695), who retires by rotation and being eligible, offers himself for re-appointment.

Signed this..... day of.....2019

Signature of the Shareholder

Signature of proxy

Affix Revenue  
Stamp Re. 1/-

*\* Applicable for investors holding shares in electronic form.*

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
- (4) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

