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**ANNUAL REPORT OF  
NORTH EASTERN CARRYING CORPORATION LIMITED  
FOR THE FINANCIAL YEAR 2017-18**

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**North Eastern Carrying Corporation Ltd.**

CO: NECC House 9062/47, Ram Bagh Road, Azad Market  
Delhi-110 006 (INDIA) T: 011-23517516-19 | F: 011- 23527700  
E: [co@neccgroup.com](mailto:co@neccgroup.com) | W: [www.neccgroup.com](http://www.neccgroup.com)

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**Annual General Meeting** : Friday, 28th September, 2018  
**Time** : 10.00 A.M.  
**Venue** : B-2, Aadarsh Sadan, Ashok Vihar Phase II, 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- Women Director  
Non Executive- Independent Director  
Non Executive- Independent Director  
Non Executive- Independent Director

### **CHIEF FINANCIAL OFFICER**

Mr. Shyam Lal Yadav

### **COMPANY SECRETARY**

Ms. Mamta Bisht

### **SENIOR MANAGEMENT TEAM**

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

Senior General Manager  
Deputy General Manager  
Corporate Head (Operations)  
Senior Manager - Accounts  
Senior Manager - IT  
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  
WP-502/D, IInd Floor, Shiv Market, Ashok Vihar,  
Phase-I, New Delhi-110052  
Ph: 011-49323996  
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.-01143601839  
Email-ID: csakf1975@gmail.com

### **BANKERS**

Oriental Bank of Commerce  
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

**NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD (33rd) ANNUAL GENERAL MEETING OF THE MEMBERS OF NORTH EASTERN CARRYING CORPORATION LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 28, 2018 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, 2018 along with the Reports of the Board of Directors and the Auditors thereon.
2. To re-appoint Mr. Utkarsh Jain (DIN: 05271884) as Director of the company, who is liable to retire by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS**

3. To re-appoint Mr. Sunil Kumar Jain as Managing Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Sunil Kumar Jain (DIN: 00010695) as Managing Director and Key Managerial Personnel of the Company, liable to retire by rotation, for a period of 3 years, on expiry of his present term of office, i.e. with effect from October 1, 2018, on the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting including remuneration up to Rs. 84,00,000/- (Rupees Eighty Four Lakhs only).

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

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

4. To re-appoint Mr. Utkarsh Jain as Whole Time Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Utkarsh Jain (DIN: 05271884) as Whole Time Director of the Company, liable to retire by rotation, for a period of 3 years, on expiry of his present term of office, i.e. with effect from October 1, 2018, on the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting including remuneration up to Rs. 36,00,000/- (Rupees Thirty Six Lakhs only).

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

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

5. To re-appoint Mr. Manoj Kumar Jain as Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Manoj Kumar Jain (DIN: 02573858), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (five) consecutive years, i.e. up to March 31, 2024.

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

6. To re-appoint Mr. Utsav Jain as Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Utsav Jain (DIN: 01609344), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (five) consecutive years, i.e. up to March 31, 2024.

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

7. To re-appoint Mr. Mohak Jain as Independent Director of the Company and to consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Mohak Jain (DIN: 02525330), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for the second term of 5 (five) consecutive years, i.e. up to March 31, 2024.

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

By order 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, 2018

**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.**

Proxies submitted on behalf of the Companies, institutional investors, societies, etc. must be supported by appropriate resolution/authority, as applicable.

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 carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. 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.
3. A Statement pursuant to the Section 102(1) of the Companies Act, 2013 relating to the Special Business under Item No. 4 to Item No. 7 be transacted at the Meeting is annexed hereto.
4. Brief Resume of the Director seeking re-appointment or appointed since last Annual General Meeting, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive).
6. Members who hold shares in physical form are requested to send all correspondence concerning registration of transfers, 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.
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. SEBI has made it mandatory for the transferee(s) to furnish a copy of PAN card to the Company/R&TA for registration of transfers and for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies. Accordingly, members holding shares in physical mode should attach a copy of their PAN card for every transfer request sent to the Company/R&TA.
9. Members holding shares in physical mode are 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.
10. Members are advised to dematerialize shares held by them in physical form as SEBI has mandated transfer of shares of listed entities in dematerialized form only with effect from 5th December, 2018.
11. 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.

12. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making nomination is available for the Members in respect of the shares held by them. Members desirous of making a nomination are requested to register the same by submitting **Form No. SH-13**. The said form can be downloaded from the RTA's website [www.masserv.com](http://www.masserv.com) (under 'Download' section). Members holding shares in physical form may submit the same to Company or its RTA. Members holding shares in electronic form may submit the same to their respective depository participant.
13. Members desirous of getting any information on any item(s) of business of this meeting are requested to address their queries to the Director 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 AGM.
14. 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 and take part in the 'Green Initiative in Corporate Governance' undertaken by the Ministry of Corporate Affairs, Government of India vide circular no 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011.

15. 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.
16. 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.
17. **Information and other instructions relating to e-voting is attached with the Notice of the 33rd 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 M/s MAS Services Limited 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 at the AGM.

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 at the Meeting, in a fair and transparent manner.

Further, the Company has fixed **Friday, the September 21, 2018** 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 Tuesday, September 25, 2018 (9.00 A.M.) to Thursday, September 27, 2018 (5.00 P.M.). At the end of the said e-voting period, the e-voting portal shall forthwith be blocked.

18. 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. **Friday, the September 21, 2018** 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.

19. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
20. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 24 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
21. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.neccgroup.com](http://www.neccgroup.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing 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 Annual General Meeting.
22. The Company is not providing Video Conferencing facility for this meeting.
23. The entire Annual Report is also available on the Company's website [www.neccgroup.com](http://www.neccgroup.com).

By order 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, 2018



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

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

**ITEM NO. 3**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 13, 2018, subject to the approval of Members of the Company reappointed Mr. Sunil Kumar Jain, aged 56 years, as Managing Director of the Company, liable to retire by rotation, for the term of 3 years with effect from October 1, 2018 on the following terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board:

- a. Consolidated Annual Salary, perquisites, Performance Bonus etc. up to Rs. 84,00,000/- (Rupees Eighty Four Lakhs only) not exceeding the limits specified under Schedule V of the Companies Act, 2013. The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
- b. The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax Act, 1961, gratuity payable at a rate not exceeding half month's salary for each completed year of service, and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.
- c. Expenses incurred for travelling, boarding and lodging including during business trips and provision of car(s) for use on Company's business and communication expenses at residence along with free mobile phone facility, long Distance personal Calls shall be reimbursed at actual and not considered as perquisites.

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

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

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

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

In view of the above, the Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

**ITEM NO. 4**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on August 13, 2018, subject to the approval of Members of the Company reappointed Mr. Utkarsh Jain, aged 24 years, as

Whole Time Director of the Company, liable to retire by rotation, for the term of 3 years with effect from October 1, 2018 on the following terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board:

- a. Consolidated Annual Salary, perquisites, Performance Bonus etc. up to Rs. 36,00,000/- (Rupees Thirty Six Lakhs only) not exceeding the limits specified under Schedule V to the Companies Act, 2013. The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
- b. The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax Act, 1961, gratuity payable at a rate not exceeding half month's salary for each completed year of service, and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.
- c. Expenses incurred for travelling, boarding and lodging including during business trips and provision of car(s) for use on Company's business and communication expenses at residence along with free mobile phone facility, long Distance personal Calls shall be reimbursed at actual and not considered as perquisites.

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

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

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

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

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

#### **ITEM NO. 5**

Mr. Manoj Kumar Jain (DIN: 02573858), aged 52 years, was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to March 31, 2019 ("first term").

The Nomination & Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Manoj Kumar Jain as an Independent Director for a second term of 5 (five) consecutive years up to March 31, 2024 on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, according to his background and experience and contributions made by him during his tenure, the continued association of Mr. Manoj Kumar Jain would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Manoj Kumar Jain as an Independent

Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years up to March 31, 2024 on the Board of the Company.

Mr. Manoj Kumar Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

The Company has also received declaration from Mr. Manoj Kumar Jain that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Manoj Kumar Jain fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Manoj Kumar Jain is independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company.

Mr. Manoj Kumar Jain is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Manoj Kumar Jain and his relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 5 of this Notice is accordingly recommended by approval of Shareholders by way of Special Resolution.

#### **ITEM NO. 6**

Mr. Utsav Jain (DIN: 01609344), aged 33 years, was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to March 31, 2019 ("first term").

The Nomination & Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Utsav Jain as an Independent Director for a second term of 5 (five) consecutive years up to March 31, 2024 on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, according to his background and experience and contributions made by him during his tenure, the continued association of Mr. Utsav Jain would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Utsav Jain as an Independent Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years up to March 31, 2024 on the Board of the Company.

Mr. Utsav Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

The Company has also received declaration from Mr. Utsav Jain that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Utsav Jain fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Utsav Jain is independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company.

Mr. Utsav Jain is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Utsav Jain and his relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 6 of this Notice is accordingly recommended by approval of Shareholders by way of Special Resolution.

**ITEM NO. 7**

Mr. Mohak Jain (DIN: 02525330), aged 30 years, was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to March 31, 2019 ("first term").

The Nomination & Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Mohak Jain as an Independent Director for a second term of 5 (five) consecutive years up to March 31, 2024 on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee, considers that, according to his background and experience and contributions made by him during his tenure, the continued association of Mr. Mohak Jain would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Mohak Jain as an Independent Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years up to March 31, 2024 on the Board of the Company.

Mr. Mohak Jain is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

The Company has also received declaration from Mr. Mohak Jain that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Mohak Jain fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Mohak Jain is independent of the management.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company.

Mr. Mohak Jain is not related to any other Director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Mohak Jain and his relatives, are in any way, concerned or interested in the said resolution. The resolution as set out in item No. 7 of this Notice is accordingly recommended by approval of Shareholders by way of Special Resolution.

**ATTACHMENT TO THE EXPLANATORY STATEMENT FOR ITEM NO 3 & 4**

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

**I. General Information**

**1. Nature of Industry:** Logistics/Transportation

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

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

**3. Financial Performance of the Company:**

(Amt. in Lakhs)

Particulars	2017-18	2016-17
Revenue from operations	38,487.20	54,799.20
Profit / (Loss) before exceptional items and Tax	601.01	900.84
Profit/(Loss) before Tax	601.01	900.84
Profit/(Loss) After Tax	387.36	560.10

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

**II. Information about the appointee:**

S. No.	Particulars	Mr. Sunil Kumar Jain	Mr. Utkarsh Jain
1.	Background details	He joined his family business in 1980 at an early age of 18 years. Since 1999-2000 he leads the Company in all sectors vide operation, marketing and finance and had implemented new technologies vide computerization of head office, regional offices and major branches in 2003. He equipped the vehicles with GPRS system. He enhances the effectiveness of group meetings by sharing his expertise on issues or questions that arise. He has used his technical knowledge to generate numerous improvements in procedures, and operations and applied his expertise to the various Consignments relating to transport, logistics and contributed directly to the project's success.	He has Graduated from the University of Nottingham, United Kingdom and has joined the Management of the Company as Whole Time Director to share hands with his father in the legacy of the family business. Like his father is giving new shape to the business with his innovative and fresh ideas to enhance business. He is involved in getting major assignments for the Company.
2.	Past Remuneration	Rs.48,00,000/- (Rupees Forty Eight Lakhs only) per annum	Rs.12,00,000/- (Rupees Twelve Lakhs only) per annum
3.	Recognition or Awards	As a result of his effort North Eastern Carrying Corporation Limited has been awarded for good business performance by "Inc. India 500" for a continuous period of Two years i.e. 2011-12 & 2012-13 & Parivahan Shresth Award for his regular contribution to the Indian Economy & Transport sector.	Not applicable
4.	Job Profile and his suitability	He is responsible for overall day to day management of the Company under the supervision and control of the Board of Directors of the Company	He is responsible to look after the overall operations and Marketing of the Company under the supervision and control of the Board of Directors of the Company
5.	Remuneration proposed	The proposed remuneration would comprise of monthly basic salary, allowances and all perquisites as mentioned in the proposed Item no. 3 and 4 respectively of this Annual General Meeting Notice.	

6.	Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person	Considering the responsibility shouldered by them of the enhanced business activities of the Company, proposed remuneration is Commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses	
7.	Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any	Mr. Sunil Kumar Jain is one of the Promoter and Shareholder of the Company.	Mr. Utkarsh Jain is the Promoter and Shareholder of the Company and son of Mr. Sunil Kumar Jain, Managing Director of the Company.

**III. Other Information:**

**1. Reasons of loss or inadequate profits**

Due to large impact of GST on the Transport and Logistics sector which highly affected on the business of the Company. During the year, the Company has discontinued its less profitable businesses.

**2. Steps taken or proposed to be taken for improvement**

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

**3. Expected Increase in productivity and profits in measurable terms**

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

**IV. Disclosures**

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

By order 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, 2018

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

<b>Name</b>	<b>Sunil Kumar Jain</b>	<b>Utkarsh Jain</b>	<b>Manoj Kumar Jain</b>	<b>Utsav Jain</b>	<b>Mohak Jain</b>
<b>DIN</b>	00010695	05271884	02573858	01609344	02525330
<b>Date of Birth</b>	21st July, 1962	20th April, 1994	17th January, 1966	12th February, 1985	16th September, 1988
<b>Qualification</b>	Bachelor of Commerce from University of Delhi	BSc (Hons) in Management Studies from the University of Nottingham, United Kingdom, IIM Ahmedabad Alumni	Bachelor of Commerce from University of Delhi	Bachelor of Arts from University of Delhi	Bachelor of Arts from University of Delhi
<b>Expertise in specific Functional area</b>	He joined his family business in 1980 at an early age of 18 years. Since 1999-2000 he leads the company in all sectors vide operation, marketing and finance and had implemented new technologies vide computerization of head office, regional offices and major branches in 2003. He equipped the vehicles with GPRS system. He enhances the effectiveness of group meetings by sharing his expertise on issues or questions that arise. He has used his technical knowledge to generate numerous improvements in procedures, and operations and applied his expertise to the various Consignments relating to transport, logistics and contributed directly to the project's success.	He has Graduated from the University of Nottingham, United Kingdom and has joined the Management of the Company as Whole Time Director to share hands with his father in the legacy of the family business. Like his father is giving new shape to the business with his innovative and fresh ideas to enhance business. He is involved in getting major assignments for the Company.	He is an industrialist and business consultant having experience of more than 23 years. He is a self motivated person having a professional approach emphasizing on ethics and integrity.	He has experience of over 12 years in managing the various issue faced by an organization in its growth. He is rich with experience in the field of fund raising, corporate strategy, team management, negotiations, business development and Marketing.	His expertise lies in giving the innovative managerial opinion and ideas to the company for sustaining in the industry.
<b>Directorship held in other Listed entities</b>	NIL	NIL	<ul style="list-style-type: none"> <li>• Advik Laboratories Ltd</li> <li>• MPS Infotechnics Ltd</li> </ul>	NIL	NIL



<b>Membership/ Chairmanship of Committees across all Public Companies other than NECC</b>	NIL	NIL	AUDIT COMMITTEE Chairman: • Advik Laboratories Ltd • MPS Infotechnics Ltd STAKEHOLDER RELATIONSHIP COMMITTEE Chairman: • Advik Laboratories Ltd Member • MPS Infotechnics Ltd	NIL	NIL
<b>Number of Shares held in the Company</b>	As on March 31, 2018, Mr. Sunil Kumar Jain holds 76,63,768 equity shares (15.27%) in the Company.	As on March 31, 2018, Mr. Utkarsh Jain holds 1,53,910 equity shares (0.31%) in the Company.	NIL	NIL	NIL
<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.	Mr. Utkarsh Jain is the son of Sh. Sunil Kumar Jain. There is no relationship between any other Directors of the Company.	NA	NA	NA
<b>Details of remuneration paid /sought to be paid</b>	up to Rs. 84,00,000/-P.A. (Rupees Eighty Four Lakhs only)	up to Rs. 36,00,000/-P.A. (Rupees Thirty Six Lakhs only)	NIL	NIL	NIL
<b>Number of Meetings of the Board attended during the year.</b>	The detail of number of Board/ Committee meetings attended during the year is mentioned in Corporate Governance Report forming part of this Annual Report for the financial year 2017-18.	The detail of number of Board/ Committee meetings attended during the year is mentioned in Corporate Governance Report forming part of this Annual Report for the financial year 2017-18.	The detail of number of Board/ Committee meetings attended during the year is mentioned in Corporate Governance Report forming part of this Annual Report for the financial year 2017-18.	The detail of number of Board/ Committee meetings attended during the year is mentioned in Corporate Governance Report forming part of this Annual Report for the financial year 2017-18.	The detail of number of Board/ Committee meetings attended during the year is mentioned in Corporate Governance Report forming part of this Annual Report for the financial year 2017-18.

By order 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, 2018

## BOARD'S REPORT

To  
The Shareholders,

Your Directors have immense pleasure in presenting the Thirty Third (33rd ) Annual Report together with the Audited Financial Statements of our Company for the Financial Year ended March 31, 2018.

### 1. FINANCIAL PERFORMANCE

The Company has adopted Indian Accounting Standards (Ind-AS) with effect from April 1, 2017 (transition date being April 1, 2016) pursuant to the notification issued by Ministry of Corporate Affairs dated February 16, 2015 regarding the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under. The results for the year ended March 31, 2017 have been restated to comply with Ind AS to make these comparable. The accounting policies have been consistently applied and the Management takes into cognizance all new as well as revised accounting standards on an ongoing basis.

The Key highlights of financial performance of your Company for the Financial Year 2017-18 were as under with comparative position of previous year's performance:-

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Revenue from Operations	38,487.20	54,799.20
Expenses		
a) Employee benefit Expense	1379.60	1313.35
b) Finance costs	714.22	805.45
c) Operating and other expenses	35572.0	51579.58
Total Expenses	37665.82	53698.38
Operating Profit (EBITDA)	821.38	1100.82
Depreciation and amortization expense	314.40	270.26
Operating Profit after Interest and Depreciation	560.98	830.56
Other Income	94.02	70.28
Profit before Tax	601.01	900.84
Tax Expenses	213.65	340.74
Net Profit for the year	387.36	560.10
Other Comprehensive Income	0.00	0.00
Total Comprehensive Income	387.36	560.10

During the year, the revenue from operations declined to Rs. 38,487.20 Lakhs as against Rs. 54,799.20 Lakhs in the previous financial year 2016-17, recording a decline of 30%. Our Net profits declined to 387.36 Lakhs for the current financial year 2017-18 as against Rs. 560.10 Lakhs in the previous financial year 2016-17, recording a decline of 31 %.

### 2. STATE OF THE COMPANY'S AFFAIRS

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

- During the year, the Company has announced extension of Contract to earlier contract from TATA Steel Limited for a consideration of Rs. 50 crore. The revised gross contract value from TATA Steel now stands at Rs. 450 crore from earlier contract value Rs. 400 crore. The contract towards transportation from Sukinda mines now stands revised to Rs. 150 crore from earlier Rs. 100 crore to be executed and completed by December, 2018. Value of contract towards transportation from Joda mines continues to stand at Rs 300 cr.
- Partial truck load Sundry Movement has declined from 58.17% in the previous year 2016-17 to 53.91% in the current year 2017-18.

- Full truck load grew by 46.09 % in the FY 2017-18 as compare to 41.83% in the previous year 2016-17.
- The Company is looking to expand its existing 1.5 mn. sq.ft warehousing capabilities over the next two 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 33% of total revenues in FY 2017-18 as compared to 19% in FY 2016-17.
- Rating of Crisil BBB-/stable on our long-term debt

**3. 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, 2018.

**4. SHARE CAPITAL**

The issued and paid up share capital of the Company as on March 31, 2018 was Rs 5019.73 Lakhs divided into 5,01,97,336 equity shares of Rs. 10 each against the Authorized Share Capital of Rs. 5400.00 Lakhs divided into 5,40,00,000 equity shares of Rs.10 each.

**5. TRANSFER TO RESERVES**

The Company doesn't propose to transfer any amount to General Reserve during the financial year 2017-18.

**6. EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-9 is placed on the website of the Company at [www.neccgroup.com](http://www.neccgroup.com).

**7. 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) Regulations 2015. In terms of Regulation 34 of the 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").

**8. 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 2017-18 are provided in the Corporate Governance Report.

**9. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 149, 152 and 161(1) of the Companies Act, 2013 read with rules made there under and the Articles of Association of the Company, Mrs. Reena Gupta (DIN: 06966728), was appointed as Additional Director w.e.f 25th April, 2017 and to hold the office up to the date of 32nd Annual General Meeting of the Company. Further the shareholders of the Company at its Annual General Meeting held on 28th September, 2017 regularized her appointment as Director of the Company, not liable to retire by Rotation.

As per the provisions of the Companies Act, 2013 and in Articles of Association of the Company, Mr. Utkarsh Jain (DIN:05271884), shall retire by rotation in the ensuing 33rd Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors on recommendation of Nomination & Remuneration Committee recommends his re-appointment.

The Board of Directors on recommendation of the Nomination and Remuneration Committee has re-appointed Mr. Sunil Kumar Jain as Managing Director and Mr. Utkarsh Jain as Whole Time Director of the Company for a period of

5 (five) years with effect from October 1, 2018, subject to approval of shareholders, on such terms as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting as their current term of office is up to September 30, 2018.

The term of office of Mr. Manoj Kumar Jain, Mr. Mohak Jain and Mr. Utsav Jain, Independent Directors will expire on March 31, 2019. The Board of Directors on the basis of Performance Evaluation carried by Nomination and Remuneration Committee, recommends their re-appointment as Independent Directors for the second term of 5 (five) consecutive years on the expiry of their current term of office.

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 directors seeking appointment / 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

#### **10. DIRECTOR RESPONSIBILITY STATEMENT**

With reference to Section 134(5) of the Companies Act, 2013, it is confirmed that:-

- i. in the preparation of the annual accounts for the financial year ended March 31, 2018, 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.

#### **11. 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).

#### **12. AUDITORS STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereafter, M/s Raj Achint & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company till the conclusion of 37th Annual General Meeting of the Company to be held in Calendar year 2022.

M/s Raj Achint & Associates, Chartered Accountants have furnished a certificate of their eligibility as per Section 141 of the Companies Act, 2013. Pursuant to provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditor has not reported any incident of fraud to the Audit, Risk and Compliance Committee during the year under review.

**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 (Certificate of Practice No.4056), New Delhi to undertake the Secretarial Audit of the Company for the year ended March 31, 2018. The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2018 is annexed to this report.

The Auditors' Report and the Secretarial Audit Report for the financial year ended March 31, 2018 do not contain any qualification, reservation, adverse remark or disclaimer.

**13. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY COMPANY**

The Company has neither given any guarantee nor provided any security covered under the provision of Section 186 of the Companies Act, 2013 during the financial year 2017-18.

**14. 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, 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>

**15. 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.

**16. 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 2017-18. Further, the Company has no earning or outgo in Foreign exchange as per Rule 8(3) of Companies (Accounts) Rules, 2014.

**17. 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>

## **18. 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 thereunder, The Companies (Corporate Social Responsibility Policy) Rules, 2014 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 2017-18, 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 making donation to Sewa Bharti, NGO, sponsoring the Teacher's Salary on monthly basis of "Unnati", NGO project.

During the financial year 2017-18, your Company has spent a total expenditure of Rs. 9.92 Lakhs 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. 840.61 Lakhs. It was hence required to spend Rs. 16.81 Lakhs on CSR activities during the Financial Year 2017-18, 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.

## **19. FORMAL ANNUAL EVALUATION OF BOARD**

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.

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.

## 20. SUBSIDIARY COMPANY

During the year, "N.E.C.C. Retail Solutions Private Limited" is ceased to be the wholly owned subsidiary of the Company as the application for Strike of such wholly owned subsidiary was filed to Registrar of Companies, NCT of Delhi & Haryana on 25th November, 2017 pursuant to Section 248 of the Companies Act, 2013. As per MCA website, the status of Company is under process of Striking-off.

With respect to Striking-off of Subsidiary Company and closure of its Bank Account, the Company has not prepared its Financial Statements on Consolidation basis pursuant to Section 129 of the Companies Act, 2013.

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

## 22. HUMAN RESOURCE MANAGEMENT

Your Company has 250 offices including Branch offices across 28 states and the total Manpower of the Company as on March 31, 2018 was 532 employees which include Executives and Non-Executives. In order to increase the professional culture in the Company, 62 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.

During the financial year 2017-18, the following no. of training imparted and Skill development programmes organized by the Company:-

TRAINING	DATE	VENUE
Client & Claim Process	April 21, 2017	CO-DELHI, CLAIM DEPT
GST software & its operation	September 23, 2017 TILL October 12, 2017	CO-DELHI, DAYABASTI, Q. ROAD, NOIDA, CHIKAMBERPUR, SWAROOP NAGAR, GURGAON
Personality Development	November 11, 2017 & November 20, 2017	CO-DELHI
ERP Program	December 16, 2017 & December 23, 2017	CO-DELHI
ERP Application	January 9, 2018	CO-DELHI
E-way bill preparation & its importance	January 20, 2018	CO-DELHI
Payroll Management	February 16, 2018	CO-DELHI
Sl. No	Particulars	No. of programs held during the year
1.	Training and Skill Development programs imparted to Executives & Non-executives	65



• **REPRESENTATION OF WOMEN EMPLOYEES**

As on March 31, 2018, 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.

**23. 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 2017-18 and hence no complaint is outstanding as on March 31, 2018 for redress.

**24. STATUTORY DISCLOSURES**

1. There was no change in the nature of business of the Company during the financial year 2017-18.
2. The Company has not accepted any public deposits during the financial year 2017-18.
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, 2018 and the date of this report.
6. The Company has not issued any Stock options to the Directors' or any employee of the Company.

**25. SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

**26. MAINTENANCE OF COST RECORDS**

Pursuant to Section 148(1) of the companies Act, 2013, the Company is not required to maintain cost record and accounts for the financial year ended 31st March, 2018

**27. 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)

**28. STATUTORY AND OTHER INFORMATION REQUIREMENTS**

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

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

**29. ACKNOWLEDGEMENT**

The 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 M/s Raj Achint & Associates, Statutory Auditor and M/s Ashish Kumar Friends & Co., Secretarial Auditor 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, 2018

**“ANNEXURE I” TO THE DIRECTORS 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	Lease Agreement	01.06.2015 to 31.03.2018	Rent of INR 15,000/-P.M. (Rupees Fifteen Thousand Only)	28.05.2015	Nil
2.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 10,000/-P.M. (Rupees Ten 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	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	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 30,000/-P.M. (Rupees Thirty 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	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 20,000/-P.M. (Rupees Twenty 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	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
7.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 18,000/-P.M. (Rupees Eighteen 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	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
9.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC	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	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
11.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC	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	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 40,000/-P.M. (Rupees Forty Thousand Only)	10.02.2016	Nil
13.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 50,000/-P.M. (Rupees Fifty 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 75,000/-P.M. (Rupees Seventy Five Thousand Only)	10.02.2016	Nil
15.	<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
16.	<b>Mr. Utkarsh Jain</b> <b>Nature:</b> Mr. Utkarsh Jain is the Whole-Time Director of NECC	Lease Agreement	01.04.2016 to 31.03.2019	Rent of INR 20,000/-P.M. (Rupees Twenty Thousand Only)	10.02.2016	Nil

17.	<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
18.	<b>Suni 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>Suni 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
20.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC	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>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC	Lease Agreement	01.04.2017 to 31.03.2020	Rent of INR 10,000/- P.M. (Rupees ten thousand only)	20.03.2017	Nil
22.	<b>N.E.C.C Logistics Limited</b> <b>Nature:</b> Directors of the Company are in the Board of N.E.C.C Logistics Limited	Sale of Trade Receivables	01.04.2017 to 31.03.2018	Sale of Rs. 28,41,35,000/- (Rupees Twenty Eight Crore Forty One Lakhs and Thirty Five Thousand only)	20.03.2017	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, 2018

**“ANNEXURE II” TO THE DIRECTORS REPORT**
**REPORT ON CORPORATE SOCIAL RESPONSIBILITY  
FOR THE FINANCIAL YEAR 2017-18**
**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. The Company would endeavor to adopt an integrated approach to address the community & societal concerns by taking up a range of the activities, which shall be taken up strategically, in project mode, in a focused manner to the extent possible.

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.

During the Financial Year 2017-18, the Company had contributed Rs. 5,00,000/- (Rupees Five Lakhs only) to Sewa Bharti to promote education and Social Welfare of Poor and under privileged children of the Society.

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. 4,53,378/- (Rupees Four Lakhs Fifty Three Thousand Three Hundred Seventy Eight Only) towards Teachers' Salary in the Financial Year 2017-18. The Company also provided basic stationery to the students under the project Unnati amounting to Rs. 38,464/- (Rupees Thirty Eight Thousand Four Hundred Sixty Four only).

**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:

<b>Financial Year14-15</b>	7,34,62,643/-
<b>Financial Year15-16</b>	8,95,82,061/-
<b>Financial Year16-17</b>	8,91,38,664/-
<b>Total</b>	<u>25,21,83,368/-</u>

Average Net Profit 8,40,61,123/-

**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. 16,81,223/-. The Board of Directors approved CSR expenditure of Rs. 16,81,500/- for the Financial Year 2017-18.

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

- a. Total amount to be spent for the financial year: Rs. 9,91,842/-
- b. Amount unspent: Rs. 6,90,058/-
- 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**

**Place:** Delhi  
**Date:** 13th August, 2018

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



(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.	Donation to Sewa Bahrti	Promoting Education including special education and employment enhancing vocation skills, especially among children, women, elderly and differently-abled and livelihood enhancement projects	Delhi		5,00,000		5,00,000	Direct
2.	Contribution in Project Unnati for sponsoring Salary of Teachers and providing Stationery to Students				4,91,842		4,91,842	Direct

“ANNEXURE III” TO THE DIRECTORS REPORT

FORM MR-3  
SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2018

[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**

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, 2018 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, 2018 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, 1992;
  - 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, 2018

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**

Our Secretarial Audit Report of even date is to be Read along with this Letter.

**Management's Responsibility**

- It is the responsibility of the management of the Company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

- My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
- Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

- 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.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

**Place:** New Delhi  
**Date:** 13th August, 2018

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

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

**“ANNEXURE IV” TO THE DIRECTORS REPORT**
**PARTICULARS OF EMPLOYEES AND REMUNERATION**

Section 197 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 2017-2018:**

S. No.	Name(s) of Director(s)	Designation	Ratio to Median Remuneration
1.	Sunil Kumar Jain	Managing Director	34.93
2.	Utkarsh Jain	Whole-Time Director	8.73

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 2017-2018:**

S. No.	Name(s) of KMP	Designation	Percentage Increase
1.	Shyam Lal Yadav	CFO	11.11%
2.	Mamta Bisht	Company Secretary	7.14%

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 13.37% approx. during the Financial Year.
ii)	Number of permanent employees on the rolls of company:	Number: 532
iii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year:	8.24% 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 8.24% 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	36,00,000	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	0.012
RAVI GUPTA	Senior General Manager	24,60,000	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	52	G.I.R. Movers Private Limited	NIL

PANKAJ G. PANDYA	Regional Manager	13,80,000	Permanent	Bachelor of Commerce. He has an experience of almost 20 years in logistics Sector.	09/06/2016	55	V. Trans Private Limited	NIL
VINOD NAIR	Deputy General Manager	13,20,000	Permanent	B.A Honor's in Economics from DU and M.B.A, L.L.B. He has completed 21 years with the organization	01/11/1995	52	D.P.S India Ltd (a Peerless Group Company), Abacus Computers Ltd, and Global Tele Systems (GTL)	0.002

#### 5. Details of Top Ten Employees

Name of Employee	Designation	Remuneration drawn on Yearly basis (in Rs.)	nature of employment	qualifications and experience	Date of Joining	age (in Years)	last employment held	% of equity shares held
SUNIL KUMAR JAIN	Chairman & Managing Director	48,00,000	Permanent	Graduation in Commerce from DU.	10/10/1994	56	-	15.27
SHYAM LAL YADAV	CFO	36,00,000	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	0.012
RAVI GUPTA	Senior General Manager	24,60,000	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	52	G.I.R. Movers Private Limited	0.00
PANKAJ G. PANDYA	Regional Manager	13,80,000	Permanent	Bachelor of Commerce. He has an experience of almost 20 years in logistics Sector.	09/06/2016	55	V. Trans Private Limited	0.00
VINOD NAIR	Deputy General Manager	13,20,000	Permanent	B.A Honor's in Economics from DU and M.B.A, L.L.B. He has completed 21 years with the organization	01/11/1995	52	D.P.S India Ltd (a Peerless Group Company), Abacus Computers Ltd, and Global Tele Systems (GTL)	0.002
UTKARSH JAIN	Whole Time Director	12,00,000	Permanent	BSc (hons) in Management Studies, from the University of Nottingham, UK; IIM Ahmedabad	16/12/2013	24	-	0.31
NIMAIN CHARAN GANTAYAT	Senior Branch Manager	12,00,000	Permanent	Master in Arts	05/12/2016	45	Ghatgi Patil Private Limited	NIL
DHARMENDRA KUMAR SINGH	Corporate Head - Operations	11,40,000	Permanent	Bachelor of Arts from Bihar University. He has vast experience of almost 15 yrs in marketing and operations.	14/01/2008	50	V. Trans Private Limited	0.002
SURYA NATH SINGH	Senior Manager - Accounts	8,88,000	Permanent	Bachelor in Commerce and Cost & Works Accountant. He has been working with the company from almost 20 yrs. In field of Finance & Accounts.	20/12/1996	49	-	0.00
RAM NARESH PRASAD	Senior Manager - IT	8,40,000	Permanent	MSC (Mathematics), M.B.A. He has experience of almost 20 yrs in field of IT Sector.	01/05/1997	56	Limbda Innovative Systems Private Limited	0.003

## 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. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

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).

### KOTAK COMMITTEE ON CORPORATE GOVERNANCE

SEBI had constituted a committee under the chairmanship of Mr. Uday Kotak, to suggest suitable policy and regulatory changes in order to enhance the efficiency of Corporate Governance norms for Indian listed entities. SEBI, in its Board meeting on 28th March 2018 considered the Kotak Committee report and accepted several recommendations made by it, without any modifications and consequently, on 9th May, 2018 the SEBI amended (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company shall ensure that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

### 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

### 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. It places special emphasis on compliance as also ensuring that the Company operates in the best interests of all its shareholders. NECC firmly believes that Board independence is essential to bring objectivity and transparency in the management of the Company

#### 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, 2018, 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 Directors possess relevant qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors. 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, 2018 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	02573858	Independent Director
4.	Mr. Mohak Jain	02525330	Independent Director
5.	Mr. Utsav Jain	01609344	Independent Director
6.	Mrs. Reena Gupta*	06966728	Non-Independent Director

\*Mrs. Reena Gupta was appointed as Additional Director by the Board of Directors on 25th April, 2017 and her appointment was regularized by the shareholders of the Company in the Annual General Meeting held on 28th September, 2017 as Director of the Company, not liable to retire by rotation.

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

### **i. Details of Board Meetings held during the financial year 2017-18**

The Company follows a methodized process of decision-making by the Board and its Committees. The Board Members meet at least once in every calendar quarter with not more than a gap of 120 days between two consecutive Board Meetings. The quantum and quality of information supplied by the Management to the Board goes well beyond the minimum requirement stipulated in Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. All the Agenda and Explanatory Notes are normally given to the Directors well in advance for the Meetings of the Board and Committees thereof.

During the financial year 2017-18, Nine (9) meetings of Board of Directors of the Company were held on (i) April 25, 2017; (ii) May 23, 2017; (iii) May 30, 2017; (iv) August 9, 2017; (v) October 12, 2017; (vi) October 30, 2017; (vii) November 13, 2017; (viii) February 13, 2018; and (ix) March 8, 2018.

The attendance of Directors at the Board Meetings, Annual General Meeting and also number of other Directorships and committee membership / chairmanship are as follows:

Name	Category & Position	No. of Directorship in other public Companies	No. of Committee position held in other public company**		No. of Board Meetings		Attended Last AGM
			Chairman	Member	Held during tenure	Attended	
Mr. Sunil Kumar Jain	Promoter , Chairman & Managing Director	-	-	-	9	8	Yes
Mr. Utkarsh Jain	Promoter & Whole-time Director	-	-	-	9	9	No
Mr. Manoj Kumar Jain	Independent Director	2	3	1	9	9	Yes
Mr. Mohak Jain	Independent Director	-	-	-	9	6	No
Mr. Utsav Jain	Independent Director	-	-	-	9	6	No
Mrs. Reena Gupta	Non Executive Director	1	1	-	9	4	No

### **Notes:**

- \*\* In line with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for reckoning the number of Committee memberships, only the Chairmanship/Membership in Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies have been taken into consideration.
- None of the Directors is a member of more than 10 Board-level Committees of Indian Public Limited Companies nor are they Chairman of more than 5 Committees of such companies.

3. None of the Directors hold office in more than 20 Companies and in more than 10 public Companies. None of the Independent Directors serve as an Independent Director in more than seven listed Companies. All Directors are also in compliance of the limit on Independent Directorships of listed Companies as prescribed in Regulation 25(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. None of the Independent Directors is related to any other directors. None of the Independent Directors has any business relationship with the Company.
5. None of the Independent Non-executive Directors holds any share in the Company.

**ii. Post-Meeting Follow-up System**

After the Board meeting, we have formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub-committees of the Board.

**iii. Meetings of Independent Directors**

A separate meeting of Independent Directors in compliance of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was held on 13th February, 2018 without presence of any Executive Directors. Such Meetings are conducted to evaluate the performance of non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors and to discuss quality, quantity and timeliness of flow of information between the company management and the Board in great detail and expressed their satisfaction that the Board as a whole and each member individually receives all pertinent/sought for information from the Company in an adequate manner and in time.

**iv. Familiarization programmes for Board members**

The Company has constituted familiarization programmes for its Directors (Independent and Non-Independent), with an objective to:

- a) Provide them with every opportunity to familiarize themselves with the Company, NECC' s Board practices and processes, its management and its operations and above all the Industry perspective & issues;
- b) To familiarize them with regards to their rights, duties and functions;
- c) To ensure that all Directors are cognizant and appreciate the legal and ethical framework in which they must conduct themselves;
- d) To ensure that all Directors attain a level of understanding of the business and industry in which NECC functions;
- e) To energize on the level and degree of each Director's contribution to the Board;
- f) To foster a spirit of independence in all Directors in order to ensure that they contribute meaningfully and impartially.

The familiarization programmes comprise of a combination of written information, presentations and activities including meetings, site visits, etc. to enable them to familiarize with the Company management, operations and practices.

The requirement for these programmes increases manifolds for a newly appointed Director. The newly appointed Director is given a formal induction and orientation with respect to the Company's Vision, Mission, objectives and key values including Code of Ethics, Corporate Governance, financial issues and business operations.

The details on programmes can be accessed on the Company website link at [www.neccgroupp.com](http://www.neccgroupp.com).

**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, 2018, 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

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

#### i. Terms of Reference

The Audit Committee acts in accordance with the terms of reference specified by the Board of Directors, in accordance SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 as amended from time to time, which includes:

- for appointment, remuneration and terms of appointment of auditors of the company;
- 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;
- approval of appointment of chief financial officer;
- evaluation of internal financial controls and risk management systems and other related matters;
- Look into the reasons for substantial defaults in payments to depositors, shareholders and creditors;
- Review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements and its subsidiary;
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices.

#### ii. During the financial year 2017-18, the composition and attendance of the Audit 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	5	5
2.	Mr. Mohak Jain	Member & Independent Director	5	5
3.	Mr. Utsav Jain	Member & Independent Director	5	5

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 meetings of the Audit Committee are usually attended by Chief Financial Officer, Internal Auditor, the Company Secretary and a representative of the Statutory Auditors as invitees. The Business and Operation Heads are invited to the Meetings, when required to provide necessary information/clarification to the Committee. The Company Secretary acts as the secretary to the Committee.

The Internal Auditor reports directly to the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting held on September 28, 2017 to answer shareholders' queries.

In line with the best Corporate Governance practices, meetings of the Audit Committee, independent of the Management, are scheduled every quarter to review the quarterly results. The main objective of such meetings is to allow the Statutory Auditor and the Internal Auditor to express any areas of concern with respect to any matter at the same time also raise issues of any disagreement with the Management.

#### ii. 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 2017-18, five (5) meetings of the Audit Committee were held on (i) May 30, 2017; (ii) August 9, 2017; (iii) October 4, 2017; (iv) November 13, 2017; and (v) February 13, 2018.

#### iii. Vigil Mechanism/Whistle Blower Policy

NECC is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. NECC does not tolerate any malpractice, impropriety, abuse or wrongdoing. The Company

has a Vigil Mechanism Policy as per Section 177(9) & (10) of the Companies Act, 2013 and as per Regulation 22 of Listing Regulations which intends to provide mechanism for reporting genuine concerns or grievance and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place in the workstation. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee.

No complaint was received under the Policy, during the year. The "Vigil Mechanism/Whistle Blower Policy" is available on the website of the Company at website link <http://www.neccgroup.com/wp-content/uploads/2015ism-Polic/02/Vigil-Mecchany.pdf>

### **3.2 NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (LODR) Regulations 2015, read with Section 178 of the Companies Act 2013 as amended from time to time.

#### **i. Terms of Reference**

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

- Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal;
- Recommending desirable changes in the Board composition, size and diversity, committees structures and processes and other aspects of the Board's functioning;
- 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;
- devising a policy on Board diversity to recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- Review the design of and approve the Company's other benefit plans (including retirement, medical and other employee benefit and perquisite plans);
- carrying any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

#### **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](http://neccgroup.com/wpcontent/uploads/2015/02/Nomination-Remuneration-Policy.pdf)

#### **iii. Composition and Attendance during the year**

The Nomination and Remuneration Committee (NRC) is constituted in accordance with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 and the provisions of Section 178(1) of the Companies Act, 2013.

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	5	5
2.	Mr. Mohak Jain	Member & Independent Director	5	5
3.	Mr. Utsav Jain	Member & Independent Director	5	5

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, 2017. As of March 31, 2018, 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.

#### **Meeting Details:**

The Members of Nomination and Remuneration Committee met 5 times on (i) April 25, 2017; (ii) May 30, 2017; (iii) August

9, 2017; (iv) November 13, 2017 and (v) February 13, 2018.

#### **iv. 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 2017-18, no Remuneration, commission is paid to Independent Directors. The Non Executive Director, Mrs. Reena Gupta was paid sitting fees of Rs.75,000/- p.a (Rupees Seventy Five Thousand 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.

### **3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Company has constituted 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. Recommend methods to upgrade the standard of services to investors
5. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
6. 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, 2017.

**iii. Meeting Details:**

The Members of Stakeholders' Relationship Committee met 4 times on (i) May 30, 2017; (ii) August 9, 2017; (iii) November 13, 2017 and (iv) February 13, 2018 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 period from April 1, 2017 to March 31, 2018 relating to Equity Shares is as follows:-

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, 2018	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 assist the Board of Directors to formulate strategies on CSR initiatives of the Company;
6. to periodically submit the reports to the Board of Directors for their information, consideration and necessary directions; and

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

During the financial year 2017-18, 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

\*Mrs. Reena Gupta became member of the Committee with effect from 25th April, 2017.

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 the Annual Report.

**iii. Meeting Details:**

The Members of CSR Committee met 2 times on (i) May 30, 2017; and (ii) February 13, 2018.

**3.5 RISK MANAGEMENT COMMITTEE**

Regulation 21 of the Listing Regulations mandates top 100 listed entities, determined on the basis of market capitalization as at the end of the immediate previous financial year, to constitute a Risk Management Committee. Although non-mandatory, the Company has 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. Validate risk assessments.
4. Agree on assignment of risk responses to risk owners.
5. Coordinate the reporting of corporate risks.
6. Develop plans to improve risk management.
7. Assumes overall responsibility for the agency's system of internal control.
8. Reviews performance, progress, and compliance with risk management process.
9. Supports the Chief Financial Officer with assurance on a sound system of internal control.
10. 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 2017-18, 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

\* Mrs. Reena Gupta became member of the Committee with effect from 25th April, 2017.

**iii. Meeting Details:**

The Members of Risk Management Committee met 2 times on (i) May 30, 2017; and (ii) February 13, 2018.

**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
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.
2014-15	September 23, 2015	11:00 A.M.	9062/47, Ram Bagh, Azad Market, Delhi-110006	1) Reappointment of Mr. Sunil Kumar Jain as Managing Director of the Company. 2) Appointment of Mr. Utkarsh Jain as Whole-Time Director of the Company.

No special resolution was passed through Postal Ballot in the previous year. None of the business is proposed to be transacted in the 33rd Annual General Meeting require passing a Special Resolution through Postal Ballot. No Extraordinary General Meeting of the shareholders was held during the financial year 2017-18.

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 33rd AGM.

## **5. 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. Suitable disclosure as required by the Companies Act, 2013 and Accounting Standards (AS-18) has been made in the note No. 25 of notes to the Financial Statements. 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.neccgroup.com/wp-content/uploads/2016/03/Policy-on-Related-Party-Transaction-NECC.pdf>

## **6. 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.

## **7. DISCLOSURES**

- (i) 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.
- (ii) 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.).
- (iii) The Company has complied with all requirements of the Stock Exchanges, SEBI 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.
- (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 adopted Indian Accounting Standards (Ind-AS) with effect from April 1, 2017 (transition date being April 1, 2016) pursuant to the notification issued by Ministry of Corporate Affairs dated February 16, 2015 regarding the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under.
- (vi) The Company has complied with all mandatory requirements of Schedule II of SEBI (LODR) Regulations 2015 and non-mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) relating to dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is as under:

- **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 2017-18 and it is always Company's endeavor to move towards 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 auditors of the Company are invited to the Meetings of the Audit Committee and directly report all their observations to the Audit Committee.

## **8. MEANS OF COMMUNICATION**

Timely disclosure of the information on corporate financial performance and the corporate developments is a sign of good



governance practice which Company follows. We have established procedures to disseminate, in a planned manner, relevant information to our shareholders, analysts, employees and the society at large.

**(i) Quarterly /Annual Results**

The extracts of Quarterly/Half yearly/Annual Financial Results of the Company are communicated to the Stock Exchanges within time prescribed in SEBI (LODR) Regulations, 2015 and published in widely circulated national newspapers such as The Financial Express (English) and the local daily 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) News Releases and Presentations**

All our news releases and presentations made at investor conferences and to analysts are posted on the Company's website at [www.neccgroup.com](http://www.neccgroup.com). The Company uses a wide array of communication tools including face-to-face, online and offline channels to ensure that information reaches all the stakeholders in their preferred medium.

**(iii) Investor Section at Company's website**

The investor section at our website [www.neccgroup.com](http://www.neccgroup.com) provides comprehensive information about the Company. Our goal is to enable shareholders and potential investors (as also media and researchers) to easily find or navigate pertinent information about us, including:

- Company Overview, Financial Statements, Board of Directors Information, Stock Exchange filings, Shareholding patterns, Corporate Governance Report, Corporate Social Responsibility, Awards, Investor contact, Annual Reports and various forms for shareholder assistance.
- The important events such as Annual General Meetings etc. and official press releases of the Company are also updated on the Company's website regularly.
- There is an exclusive email id devoted for shareholders' queries at [cs@neccgroup.com](mailto:cs@neccgroup.com).

**(iv) NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the Listing Centre)**

NEAPS and BSE Listing center are web-based applications designed by NSE and BSE respectively. All periodical compliance filings like Financial Results, Shareholding pattern, Corporate Governance report, Corporate Announcements, media releases, Material events or information, as detailed in Regulation 30 of the SEBI (LODR) Regulations, 2015 are filed electronically by the Company on NEAPS and BSE Listing center.

All the Corporate Announcements filed electronically under NEAPS and BSE Listing Centers are on machine readable format i.e. searchable PDF format as per BSE circular LIST/COMP/22/2017-18 dated January 16, 2018 and further amended Circular LIST/COMP/01/2018-19 dated April 03, 2018 and NSE circular NSE/CML/2018/02 dated January 16, 2018 which helps the Investors for searching the relevant keywords for various purposes on the Company filings.

**(v) SEBI Complaints Redress System (SCORES)**

The investor complaints are processed in a centralized web-based complaints redressal system. The salient features of this system are Centralized database of all complaints, online upload of Action Taken Reports by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**(vi) Reminders to Investors**

Reminders to shareholders for claiming returned undelivered share Certificates and transfer of shares thereto, email registration are regularly communicated and dispatched. The Securities Exchange Board of India vide its circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 mandated updating of PAN and Bank Details of shareholders holding shares in Physical Form with the Company and Registrar and Share Transfer Agent. Further, SEBI vide its circular SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 mandated that the transfer of securities would be carried out in dematerialized form with effect from 5th December, 2018; thereby shareholders are requested to dematerialize their shares before the due date for effective transfer of shares.

**(vii) 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.

**9. GENERAL SHAREHOLDER INFORMATION**

**1. Corporate Identity Number (CIN)**

The Company is registered with the Registrar of Companies, Delhi and Haryana. The Corporate Identity Number

(CIN), allotted by the Ministry of Corporate Affairs (MCA), Government of India is L51909DL1984PLC019485 and our Company Registration is 19485.

## 2. Annual General Meeting for the financial year 2017-18

Day and Date	Time	Venue
Friday, September 28, 2018	10.00 A.M.	B-2 Aadarsh Sadan, Ashok Vihar Phase-ii Delhi-110052

## 3. 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 2018-19 is as given below:

Quarter ending	Release of Results
For the Quarter ending June 30, 2018	Second week of August, 2018
For the Quarter and half year ending September 30, 2018	Second week of November, 2018
For the Quarter and nine months ending December 31, 2018	Second week of February, 2019
For the year ending March 31, 2019	Last week of May, 2019

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

## 4. Book Closure Date

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive).

## 5. Listing of Equity Shares

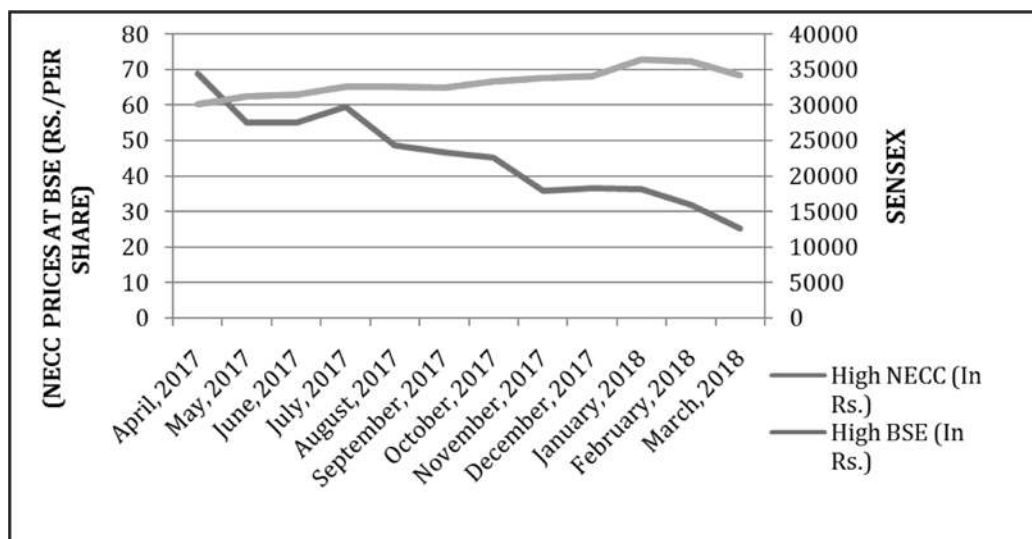
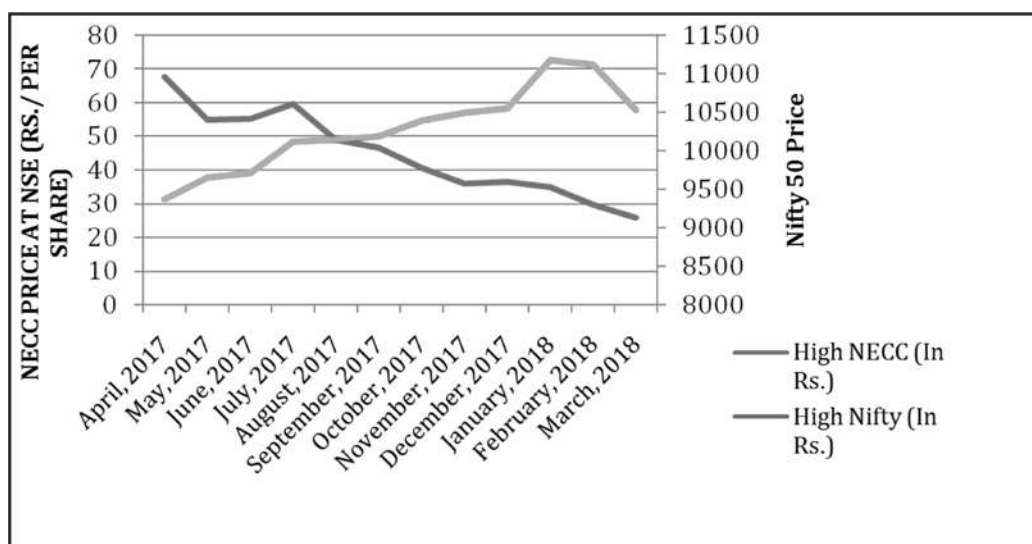
Your Company's shares are listed in the following Stock Exchanges as on March 31, 2018 and the stock codes are:

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

## 6. Market price data for the financial year 2017-18

Market Price Data- the monthly high and low prices of the Company's shares at BSE and NSE for the financial year 2017-18 are as follows:

Month	Performance of NECC share at NSE				Total Volume (in terms of no. of shares)	Performance of NECC share at BSE				Total Volume (in terms of no. of shares)
	Open (in Rs)	High (in Rs)	Low (in Rs)	Close (in Rs)		Open (in Rs)	High (in Rs)	Low (in Rs)	Close (in Rs)	
April, 2017	56.80	67.70	48.75	50.95	8131298	56.95	68.90	50.00	50.90	2700302
May, 2017	51.95	55.00	40.00	42.15	3737294	51.00	55.05	41.10	42.05	1144788
June, 2017	42.70	55.25	41.00	46.55	4083759	42.10	55.25	41.00	46.55	917576
July, 2017	46.60	59.70	45.20	48.55	11755631	46.50	59.60	45.65	48.75	2581055
August, 2017	48.90	48.90	34.40	38.60	4325020	48.75	48.75	36.10	38.60	704913
September, 2017	39.00	46.75	31.20	39.90	6815683	39.00	46.80	37.00	39.85	6046584
October, 2017	40.25	40.80	31.60	35.00	5425830	40.05	45.20	34.65	35.10	2324289
November, 2017	35.40	36.00	30.30	33.25	2970119	35.60	36.00	30.50	33.15	858442
December, 2017	34.55	36.60	31.00	33.95	2693660	36.40	36.65	30.00	33.85	1095342
January, 2018	34.00	34.95	26.70	28.85	3398684	34.10	36.35	28.40	28.90	1145231
February, 2018	29.30	29.80	24.50	24.80	1177257	29.70	32.00	24.70	24.80	490796
March, 2018	24.85	25.90	15.05	16.95	4000670	24.30	25.40	14.50	15.75	798063
<b>Total Shares traded during the year</b>					<b>5,85,14,905</b>					<b>2,08,07,381</b>



## 7. Registrar and Share Transfer Agent

MAS Services Limited

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

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

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

## 8. 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, rematerialisation, consolidation and renewal of share certificates to the Shareholders' 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 of Listing Obligations 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.

**9. Distribution of Shareholding**
**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018**

Shareholding of Nominal Value (in Rs.)	Number of shareholders	% to Total shareholders	Total Shares	Amount (in Rs.)	% of shares
1-5000	13735	75.31	2386744	23867440	4.755
5001 - 10000	2180	11.953	1821043	18210430	3.628
10001 - 20000	1183	6.486	1832242	18322420	3.65
20001 - 30000	415	2.275	1064789	10647890	2.121
30001 - 40000	207	1.135	748159	7481590	1.49
40001 - 50000	151	0.828	713129	7131290	1.421
50001 - 100000	217	1.19	1541244	15412440	3.07
100001 and above	150	0.822	40089986	400899860	79.865
<b>Total</b>	<b>18238</b>	<b>100</b>	<b>50197336</b>	<b>501973360</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON MARCH 31, 2018**

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	0.8
3	Financial Institutions Banks	2	40535	0.08
4	Individual	17881	14279382	28.45
5	Non resident Indians	65	99512	0.2
6	Clearing Members	124	417958	0.83
7	Bodies Corporate	159	7519610	14.98
	<b>Total</b>	<b>18238</b>	<b>50197336</b>	<b>100.00</b>

**\*Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group” as on March 31, 2018**

S. No.	Name of Promoter	Total Shares held	
		Number	Percentage (%)
1.	Sunil Kumar Jain	7663768	15.27
2.	Utkarsh Jain	153910	0.31
3.	NECC Securities Private Limited	7656880	15.25
4.	NECC Automobiles Private Limited	8334152	16.60
5.	Suvi Developers Private Limited	3631400	7.23

**10. Dematerialization of Shares and Liquidity**

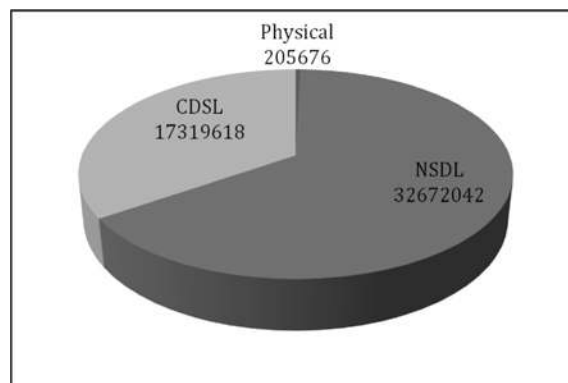
The shares of the Company is under process of dematerialized segment and available for trading under systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The names and addresses of the Depositories are as under:

<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
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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, 2018 was as under:

Category	Number of Shareholders	Number of Shares
Physical	107	205676
NSDL	7692	32672042
CDSL	10583	17319618
<b>Total</b>	<b>18238*</b>	<b>50197336</b>



\*Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, 144 holders are common in Demat & physical.

**10. 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.

**11. Annual Listing fees to Stock Exchanges**

The Company has paid Annual Listing Fees for the financial year 2017-18 to NSE and BSE. .

**12. Annual Custodial Fees to Depositories**

The Company has timely paid the annual custodian fee for financial year 2017-18 to NSDL and CDSL.

**13. 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 Zonal Offices etc.

**14. Address for Communication/Correspondence**

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

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

**Place:** Delhi

**Date:** 13th August, 2018

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

**COMPLIANCE CERTIFICATE BY CEO/MD AND CHIEF FINANCIAL OFFICER***(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To  
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:

1. We have reviewed the financial statements for the Quarter & Financial Year ended March 31, 2018 along with its schedules and notes on accounts, as well as the cash flow statements;
2. These statements do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, misleading with respect to the statements made;
3. These financial statements, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and applicable laws and regulations;
4. Based on our knowledge and information, no transactions entered into by the Company during the period, are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls and steps proposed to be taken to rectify these deficiencies.
6. We have disclosed, based on our most recent evaluation, to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
  - a) Significant changes in internal control over financial reporting during the period, if any;
  - b) There are no significant changes in accounting policies during the period; and
  - c) There are no instances of fraud of which we have become aware and the involvement, therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Place:** Delhi

**Date:** 13.08.2018

**Sd/-**

**Sunil Kumar Jain**

(Chairman & Managing Director)

DIN: 00010695

**Sd/-**

**Shyam Lal Yadav**

(CFO & VP)

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

To,  
The Members of  
**North Eastern Carrying Corporation Limited**

I, Sunil Kumar Jain, Chairman & Managing Director of North Eastern Carrying Corporation Limited ("the Company"), confirm that the Company has adopted a Code of Conduct ("Code") for its Board Members and senior management personnel and the Code is available on the Company's Website.

I, further confirm that the Company has in respect of the financial year ended March 31, 2018, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

**Place:** Delhi

**Date:** 13.08.2018

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

**Sd/-**

**(Sunil Kumar Jain)**

**Chairman & Managing Director**

DIN: 00010695

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

*(Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To  
The Members of  
**North Eastern Carrying Corporation Limited**

We, Raj Achint & Associates, Chartered Accountants, the Statutory Auditors of North Eastern Carrying Corporation Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018, 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).

**Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of Internal Control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

- 1) Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 2) We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- 3) We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per Guidance Note on reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 4) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

- 5) Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance 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 Listing Regulations during the year ended 31st March, 2018.
- 6) We 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.

**For Raj Achint & Associates**

Chartered Accountants

**Firm's Registration No: 022023N**

**Sd/-**

**Raj Kumar Jain**

Proprietor

M. No. 087941

**Place:** Delhi

**Date:** 13th August, 2018



**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 2017-18.

**GLOBAL ECONOMIC OVERVIEW**

The Financial year 2017-18 has been favourable for the global economy with broad-based and synchronized growth across most countries. While the developed economies of the USA and Europe witnessed further consolidation, modest growth in Japan, improving realities in Russia and Brazil pushing the global GDP growth rate to 3.7%, some 60 bps higher than the previous year, the emerging economies exhibited resilience, benefitting from global trade and the rebound in commodity prices. China remained buoyant despite tightening of liquidity and slowdown in the booming property as well as financial markets. Crude oil prices increased in 2017, the prices at the beginning of the year being US\$54.13 per barrel, declining to a low of US\$46.78 per barrel in June 2017 and closing the year at US\$61.02 per barrel, the highest since 2013. Global Inflation stayed within control and at relatively modest levels, though some key central banks, including the US Fed, tightened policy rates to sustain robustness in investments and induce industrial activity and international trade.

Although the world economy saw good growth, political discourse leaned towards trade protectionism. There has been rising speculation around rebalancing of trade surpluses, specifically by the USA. The US economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalyzed by the spillover arising out of government spending by the previous administration coupled with US\$1500 billion worth of tax cuts stimulating investments. In 2017, Euro zone grew by 2.4% compared with 1.8% in 2016. The Chinese economy grew faster than expected in the fourth quarter (October to December) of 2017 at 6.8%, aided by a recovery in exports. This helped China celebrate its first annual growth in seven years. GCC countries were affected by the oil price decline (~60% since 2013), resulting in macro-economic instability that affected job creation and growth. Russia seems to have exited a 2 year recession and Brazil grew at 1.1% following a deceleration of 3.5% in 2016. (Source: imf.org (<https://bit.ly/2qitlK7>)).

**INDIAN ECONOMIC OVERVIEW**

The Financial Year 2017-18 has been a watershed year in the domestic economy with the Government of India affecting a unified tax regime, Goods and Service Tax (GST), from July 2017. The implementation of GST will create a single marketplace enabling supply chain efficiencies over long-term. However, the first year of its implementation, as anticipated, witnessed disruptions in supply chain, working capital constraints and greater compliance responsibility, especially for small and medium enterprises. After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period 2014-15 to 2017-18, achieved through lower inflation, improved current account balance and reduction in fiscal deficit to GDP. The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalisation, bank recapitalisation and privatisation of coal mines. (Source: CSO, economic survey 2017-18).

The Government firmly pushed ahead its reform agenda with substantial movement on GST, the Indian Bankruptcy Code and implementation of Real Estate Regulations (RERA), among others. Taking note of these developments, Moody's raised India's rating from the lowest investment grade of Baa3 to Baa2 and changed the outlook from stable to positive in November 2017. This was India's first rating upgrade in 14 years.

**Ease of doing business**

India shot up 30 places to enter in the top 100 of the 'Ease of Doing Business' rankings index released by World Bank.



### Attracting Global Investors

Not only did the country witness sustained investments from portfolio investors in debt and equity markets, it also ranked among the top 10 destinations for long-term investments with FDI inflows of almost \$45 billion in 2017. The continuous inflows helped the Indian Rupee post an appreciating trend for most of FY 2017-18, reaching a high of Rs. 63.24 per \$ in January 2018 before closing FY 2017-18 at nearly \$ 65 per dollar.

### Global logistics industry overview

Logistics is a large global sector with a market value of >US\$ 4000 billion in 2017. The global express market is estimated to be ~US\$ 198 billion in 2016. The market posted a CAGR of 4% between 2014 and 2016. The global logistics market, in terms of revenue, is set to expand from US\$8100 billion in 2015 to US\$15500 billion by 2023, registering a CAGR of 7.5% between 2015 and 2024. In volume terms, the market is expected to clock a CAGR of 6% between 2016 and 2024. The growth of the global logistics market is directly correlated to the development of international trade flow and the current global economic environment. (Source: PRNewswire, Deloitte)

The Company has an integrated logistics solutions provider with presence pan India, Nepal and with an operational set up in Bhutan and Bangladesh. The Company has capabilities in Part Truck Load (PTL) and rail logistics for all types of materials:

### Indian logistics industry overview

The country's logistics industry was worth ~US\$160 billion during FY2017-18. In 2016, India was ranked 35th on the World Bank's Logistics Performance Index, moving up from the 54th spot in 2014. India spends ~14.4% of its GDP on logistics and transportation as compared to countries such as the US (9.5%) and Germany (8%). The Indian logistics industry provides employment to 22 million people and has been growing at a CAGR of 7.8% between 2013 and 2018. The result is that India's logistics sector now finds a place in the harmonized master list of the infrastructure sub-sectors. This inclusion is set to benefit the logistics industry by providing access to cheaper long-term credit. Such a move will also lead to simplification of the approval process for the construction of multimodal logistics parks.

### Outlook

The Indian logistics sector is set to touch the US\$215-billion-mark in revenues by 2020, growing at a CAGR of 10.5%, following the implementation of GST. India expects to sustain exports growth. India intends to make a more efficient use of its coastline and river network (cost for coastal shipping is Rs.0.15-0.2 per tonne per kilometre compared to Rs.1.5 for railways and Rs.2.5 for roadways). Addressing these anomalies alone should lower logistics costs by Rs. 21,000-27,000 crore by 2025. India's logistics sector is expected to grow at 1-1.5x GDP growth and at a CAGR of 16% between 2016 and 2020. (Source: Financial Express, NITI Aayog)

### Warehousing and storage segments

**Containers:** Total installed container capacity in India stood at 21 million twenty-foot equivalent units in 2017. Container handling at the non-major ports grew at a CAGR of 22% (2015-2017), outpacing growth at major ports. Container traffic grew at a CAGR of 9% (2015-17).

**Cold storages:** Cold storage capacity in India 2017 stood at 36.6 million tonnes across an area of 42.3 million square feet.

### Challenges

In 2016, India was ranked 35th in The World Bank LPI Index, moving up from 54th in 2014. However, multiple challenges of infrastructure deficiency, lack of integration amongst stakeholders, lack of skilled manpower and slow adoption of technology affect its growth.

Who carries India's freight?	
<b>Shipping</b>	12 Major and 187 non-major ports handle about 95% of the country's foreign trade by volume and 70% by value Inland waterways carry only 0.15% of the cargo transported within India
<b>Roads</b>	3.83 million Km long, 2nd largest in the world Carries 85% of passenger traffic and 65% of freight
<b>Railways</b>	Carries about 1.1 billion tonnes of freight annually It accounts for 26% of total freight
<b>Aviation</b>	Air freight accounts for 2% of logistics movement in terms of volume, and 30% in terms of value
<b>Warehousing</b>	It accounts for 5% of Indian logistics market (excluding inventory carrying costs)

### OPPORTUNITIES & EMERGING TRENDS

**Emerging markets:** With the rising awareness about the need of logistics in a country and how transport and logistics sector are fundamental to the development of a country, new market opportunities are emerging.

**Infrastructure status:** The Central Government granted infrastructure status to the logistics sector, enhancing access to infrastructure lending at easier terms with enhanced limits, larger amounts of funds as external commercial borrowings and longer tenure funds from insurance companies and pension funds.

**Incoming investments:** The country's transport and logistics sector took the third and fourth spots, respectively, with US\$528 million and US\$271 million in funding. The logistics startups received >US\$271 million funding across 18 deals in the first half of 2017.

**E-commerce boom:** E-commerce aims towards making life easier for people and making goods and services easily available and accessible to the masses.

**Demonetization impact:** The logistics sector comprised 80% players from the unorganized sector who were affected by demonetization. Thereafter, there was a paradigm shift with vendors and customers embracing digital ways of making payments resulting in better transparency, regulation and governance.

**GST impact:** The GST aims to remove the cascading effect of tax and unite everything under one single tax. India's logistics sector would gain the most from the goods and services tax as costs would fall by 20%. The average speed of freight transportation has increased from 20-25 kilometers per hour to 40 kilometres per hour. GST will make most transactions transparent and attract investments in warehousing, supply chain management and third party logistics. The introduction of E-way bill will ensure accountability and easier verification. Recording of every stock transfer and sale will be done through the system linkages to physical movement of trucks and storage in warehouses, enhancing transparency across transactions.

**Technology adoption** The Indian logistics sector is adopting new-age technologies (cold chain logistics, warehousing etc) and digitalization in addressing challenges. Digital transformation possesses the potential to have far-reaching payoffs for a leaner and smarter logistics by ensuring smoother interface among logistics stakeholders for seamless delivery. Digital transformation of the logistics sector could translate into value of US\$1500 billion for players in the logistics sector and an additional US\$2400 billion worth of societal benefits by 2025. (Source: World Economic forum report)

#### **Government initiatives**

**Infrastructure status granted to logistics parks:** In a bid to develop an integrated logistics framework in the country including industrial parks, cold chains and warehousing facilities, the Central Government has granted infrastructure status to the logistics sector, enabling the industry to access cheaper finances. The Central Government has defined 'logistics infrastructure' to include a multimodal logistics parks comprising inland container depots with a minimum investment of Rs.5000 lakhs and minimum area of 10 acres, a cold chain facility with a minimum investment of Rs.15 crore and minimum area of 20,000 square feet and a warehousing facility with a minimum investment of Rs.2500 lakhs and a minimum area of 100,000 square feet. (Source: ibef.org, Hindu Businessline, Livemint)

**Digital India:** The Central Government has doubled the budgetary allocation towards Digital India to Rs.3,07,300 lakhs. The Central Government will be encouraging investment, training, and skilling in robotics, digital manufacturing, big data analytics and IoT, led by the NITI Aayog, launching a nationwide programme in the realm of AI. These investments strongly will lend a boost to the logistics industry by catalysing the adoption of cutting-edge technologies.

**Sagarmala:** The Sagarmala project aims at doubling the share of seaways in the transport mix over the next decade by executing multiple projects related to the expansion and modernization of various ports.

**E-way bill:** The Central Board of Excise and Customs has released a revised draft policy on the generation of e-way bills. The Central Government has made amendments and relaxed conditions which will address concerns of logistics companies, express cargo companies and LTL operators. The Central Government targets to increase jobs in logistics sector to 40 million by 2019, from 22 million and bring down the logistics cost from 14% to 10% of the GDP. (Source: NITI aayog , Economics Times.)

**Union Budget allocations:** For the upcoming financial year, the Ministry of Civil Aviation, the Ministry of Railways, the Ministry of Road Transport and Highways, and the Ministry of Shipping have been collectively allocated approximately Rs.2.76 lakh crore — comprising 46.3 per cent of the total capital outlay on infrastructure. Of this, the Government has allocated approximately Rs.1.2 lakh crore for the Ministry of Road Transport and Highways, which comprises an investment of Rs.91,663 crore in National Highways Authority of India (NHAI) and Rs.29, 76,200 lakhs in roads and bridges. (Source: Economic Times, KPMG Report)

**SAARC and SAFTA:** Establishment SAPTA and SAFTA framework embarked the beginning of a dynamic association with a further stimulated intra-regional trade and integration. SAARC empowered the ease of trade among its members marked by reasonable tax rates and lenient policies towards each other. This has brought down the logistics costs and has helped in timely delivery of goods and services across the countries. Furthermore, this has promoted trade among the countries and accounted for growth in logistics industry for all the member countries characterized by free flow of goods and reasonable costs.

## **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

### **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. Businesses are required to confirm periodically that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation systems have been implemented. The Audit Committee is also updated on the effectiveness of your Company's risk management systems and policies.

## **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 2017-18.

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 - Sunil Jain and Utkarsh Jain
- Proven capabilities in Part Truck Load (PTL) and rail logistics for all types of materials:
  - Well entrenched reliable network across India - able to execute individual business needs in an Efficient and cost effective manner
  - Caters to Industrial, MNCs and highly regarded entities' requirement to freight their critical materials throughout as

- well as outside India
- Owning a fleet of 150 trucks
  - All trucks equipped with GPS tracking
  - Customized vehicles based on customer requirement
- Booking offices across the country and Nepal, servicing multiple routes with warehousing
  - 250 offices across 28 states and 4 countries- India, Nepal, Bhutan and Bangladesh
- Warehousing of 1.5 million sq feet - includes owned and leased under management
  - Our warehouses are multi purpose catering to Bulk, FMCG, Holding Intermediates, Steel, amongst others
- Working with leading companies in the FMCG, Paper, Pharma, Automotive, Textile, Chemicals, Steel and Telecom sector
- Exclusively working with a leading FMCG - MNC Company for transportation of its goods in Nepal
- Highly skilled man-power in place with requisite mining-mate certificates
- High-capacity loaders enabling fast movement and into Bulk Movements of Iron Ore and various types of Chrome Ore mines
- 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**

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.

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. To ensure good mix of experience with fresh perspective, we have been focusing both on hiring high potential candidates from premier campuses and other companies as well as internal promotion to grow and nurture existing talent pool. We also strived to be more open, transparent and objective in our people processes. Through the annual employee engagement survey, a number of key focus areas were identified and many NECC'ite were invited and consulted to create action plan to address it. 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.

### **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 2017-18 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**

Statements in the Management Discussion Analysis Report may be forward looking statement within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include socio-economic conditions, affection demand/supply and freight rate condition in the market in which Company operates. Changes in govt. regulations, policies and other statutes including tax laws are other incidental factors to the growth of Company.

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, 2018

## **Independent Auditor's Report**

To  
The Members of  
**North Eastern Carrying Corporation Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **NORTH EASTERN CARRYING CORPORATION LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, Statement of changes in equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its Profit and Changes in equity and its Cash Flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, 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 purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**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:** 30.05.2018



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**NORTH EASTERN CARRYING CORPORATION LIMITED****Annexure A 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, 2018:

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

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets.  
  
(b) All the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.  
  
(c) The title deeds of immovable properties are held in the name of the company.
2. The company is not dealing in any physical inventory and therefore there is no question of physical verification of inventory.
3. (a) The company has not granted any loans, secured or unsecured, to the companies, firms or other parties covered in the register U/s. 189 of the Companies Act, 2013.  
  
(b) As the company has not granted any loans, the terms and conditions of the grant of such loans being prejudicial does not arise.  
  
(c) As the company has not granted any loans, no schedule of repayment of principal and interest has been stipulated.  
  
(d) As the company has not granted any loans, there are no overdue amounts.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments guarantees and security.
5. The Company has not accepted any deposits from the public. Therefore, the directive issued by the Reserve Bank of India and the provision of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under does not arise.
6. As informed to us, maintenance of cost records has not been prescribed by the Central Government U/s. 148(1) of the Companies Act, 2013.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company is regular in depositing undisputed statutory dues within in the prescribed time to the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanation given to us, there are no statutory dues which have not been deposited on account of any dispute.
8. According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or banks.
9. According to the information and explanation given to us, the moneys raised during the year, by way of term-loans/ IPOs, were applied for the purpose for which those were raised.
10. Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and nor any fraud on the company by its officers or employees has been noticed or reported during the year.

11. Based on the audit procedures performed and the information and explanations given by the management, Managerial Remuneration has been paid or provided in accordance with provisions of Companies Act, 2013.
12. In our opinion, the company is not a Nidhi company within the meaning of relevant law.
13. Based on the audit procedures performed and the information and explanations given by the management, all transactions with related parties are in compliance with section 188 of the Companies Act, 2013 and requisite details have been disclosed in the financial statements as required by the applicable accounting standards.
14. Based on the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or partly convertible debentures u/s 42 of the Companies Act, 2013 during the year.
15. Based on the audit procedures performed and the information and explanations given by the management, the company has not entered in to any non-cash transaction with directors or others in contravention of section 192 of the Companies Act, 2013.
16. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

**Place:** Delhi  
**Date:** 30.05.2018



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**NORTH EASTERN CARRYING CORPORATION LIMITED**

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**Annexure B** 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, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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:** 30.05.2018

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2018**

PARTICULARS	Notes	As At 31.03.2018 Amt. In Rs.	As At 31.03.2017 Amt. In Rs.	As At 01.04.2016 Amt. In Rs.
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	4	13,37,08,676	13,16,23,391	13,02,53,595
(b) Intangible assets	5	5,33,74,000	5,33,74,000	5,33,74,000
(c) Financial Assets				
(i) Loans	6	4,10,75,892	4,09,22,354	4,19,06,995
(d) Deferred Tax Assets		38,07,061	49,33,169	48,99,816
		<u>23,19,65,629</u>	<u>23,08,52,914</u>	<u>23,04,34,406</u>
<b>(2) Current Assets</b>				
(a) Financial Assets				
(i) Investments	7	0	1,00,000	1,00,000
(ii) Trade receivables	8	97,62,88,480	126,65,43,913	120,14,47,422
(iii) Cash and cash equivalents	9	4,61,32,234	3,58,79,628	3,24,39,380
(iv) Other Bank balances		0	0	0
(v) Loans	10	28,73,54,198	23,42,88,656	20,57,78,291
(b) Other current assets		0	0	0
		<u>130,97,74,912</u>	<u>153,68,12,197</u>	<u>143,97,65,093</u>
<b>Total Assets</b>		<u><b>154,17,40,541</b></u>	<u><b>176,76,65,112</b></u>	<u><b>167,01,99,499</b></u>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Share Capital	11	50,19,73,360	50,19,73,360	50,19,73,360
(b) Other Equity	12	32,16,89,359	28,29,53,006	22,69,43,414
		<u>82,36,62,719</u>	<u>78,49,26,366</u>	<u>72,89,16,774</u>
<b>Liabilities</b>				
<b>(2) Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13	9,57,64,475	6,90,32,571	5,03,55,648
		<u>9,57,64,475</u>	<u>6,90,32,571</u>	<u>5,03,55,648</u>
<b>(3) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	14	44,16,15,346	76,46,94,881	73,26,12,134
(ii) Trade Payables	15	2,32,71,834	1,63,17,721	4,15,06,955
(b) Other Current Liabilities	16	7,28,70,516	4,63,37,055	3,92,01,839
(c) Provisions	17	8,45,55,651	8,63,56,517	7,76,06,149
		<u>62,23,13,347</u>	<u>91,37,06,174</u>	<u>89,09,27,076</u>
<b>Total Equity &amp; Liabilities</b>		<u><b>154,17,40,541</b></u>	<u><b>176,76,65,112</b></u>	<u><b>167,01,99,499</b></u>

Significant Accounting Policies 1,2,3  
 The Notes No. 1 to 37 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: 30.05.2018

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, 2018**

PARTICULARS	Notes	For the year ended 31.03.2018 Amt. In Rs.	For the year ended 31.03.2017 Amt. In Rs.
<b>INCOME</b>			
Revenue from operations	18	384,87,20,468	547,99,20,013
Other Income	19	94,02,552	70,28,702
<b>Total</b>		<b>385,81,23,020</b>	<b>548,69,48,715</b>
<b>EXPENSES</b>			
Operating/Direct Cost/Services Availed	20	340,20,36,473	501,59,41,692
Employee Benefit Expenses	21	13,79,59,157	13,13,35,567
Financial Costs	22	7,14,22,238	8,05,45,010
Depreciation and Amortization Expense	23	3,14,39,990	2,70,26,355
Other Administrative Expenses	24	15,51,63,697	14,20,16,451
<b>Total</b>		<b>379,80,21,555</b>	<b>539,68,65,075</b>
<b>Profit before exceptional and extraordinary items and tax</b>		6,01,01,465	9,00,83,640
<b>Exceptional Items</b>		0	0
Profit before extraordinary items and tax		6,01,01,465	9,00,83,640
Extraordinary Items		0	0
Profit before tax		6,01,01,465	9,00,83,640
<b>Tax expense:</b>			
(1) Provision for Current tax (Income Tax)		1,92,83,911	3,37,47,848
(2) Deferred Tax Savings/(Charge)		-11,26,108	33,353
(3) Provision for tax(Earlier year) W/back		9,55,093	3,59,553
Profit(Loss) from the period from continuing operations		3,87,36,353	5,60,09,592
<b>Profit/(Loss) from discontinued operations</b>		0	0
Tax expense of discontinued operations		0	0
Profit/(Loss) from Discontinued operations		0	0
Profit/(Loss) for the period		3,87,36,353	5,60,09,592
Other comprehensive income			
(A)(i) Items that will not be reclassified to profit or loss:		0	0
" (ii) Income tax relating to item that will not be classified to Profit and Loss"		0	0
(B)(i) Items that will be reclassified to profit or loss:		0	0
(ii) Income tax relating to item that will be classified to Profit and Loss		0	0
Total Other Comprehensive Income		0	0
Total Comprehensive Income for the year		3,87,36,353	5,60,09,592
<b>Earning per equity share:</b>			
(1) Basic		0.77	1.12
(2) Diluted		0.77	1.12
Significant Accounting Policies	1,2,3		
The Notes No. 1 to 37 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: 30.05.2018		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 31.03.2018**

	Amt. In Rs.	As At 31.03.2018 Amt. In Rs.	As At 31.03.2017 Amt. In Rs.
<b>A. Cash Flow From Operating Activities:</b>			
Net Profit before taxation	6,01,01,465	9,00,83,640	
Add: Depreciation	3,14,39,990	2,70,26,355	
Sub-Total	9,15,41,455	11,71,09,995	
Add: Investment written off	1,00,000	0	
Less: Profit on Sale of Fixed Assets	45,46,044	10,09,804	
Less: Interest on Income Tax Refund/Other Interest	4,42,737	3,64,563	
Operating Profit before working capital changes	8,66,52,674	11,57,35,628	
Add: Decrease in Sundry Debtors	29,02,55,433	6,50,96,491	
Less: Increase in Loans & Advances	(5,32,19,080)	-2,75,25,724	
Add: Increase in Liabilities	3,16,86,708	-93,03,649	
Cash generated from operations	35,53,75,736	1,38,09,763	
Less: Income Tax Paid/ Provided	2,02,39,004	3,41,07,401	
Net Cash From Operating Activities (A)	33,51,36,733	33,51,36,733	-2,02,97,638
<b>B. Cash Flow From Investing Activities:</b>			
<b>Add: Sale Proceeds of Fixed Assets</b>	78,94,785	22,33,500	
Add: Interest on Income Tax Refund/Other Interest	4,42,737	3,64,563	
<b>Less: Purchase of Fixed Assets</b>	3,68,74,016	2,96,19,846	
<b>Net Cash Outflow from Investing Activities (B)</b>	(2,85,36,494)	(2,85,36,494)	(2,70,21,783)
<b>C. Cash Flow From Financing Activities:</b>			
Decrease in Secured Borrowings	(26,63,47,631)	7,59,671	
<b>Less: Decrease in Unsecured Loans</b>	(3,00,00,000)	5,00,00,000	
<b>Net Cash Inflow from Financing Activities ('C')</b>	(29,63,47,631)	(29,63,47,631)	5,07,59,671
Net Increase in Cash & Cash Equivalents (A+B+C)		1,02,52,607	34,40,248
Add: Cash & Cash Equivalents at beginning of Year		3,58,79,628	3,24,39,380
Cash & Cash Equivalents at end of Year		<u>4,61,32,233</u>	<u>3,58,79,628</u>

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

Place: Delhi  
Date: 30.05.2018

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: 30.05.2018

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**Statement of Changes in Equity (SOCE) for the year ended March 31, 2018**

**A. Equity Share Capital**

Amount in Rs

Particulars	As at April 1, 2016	Change in equity share capital during the year	As at March 31, 2017	Change in equity share capital during the year	As at March 31, 2018
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, 2016</b>		1,101	22,69,42,313	22,69,43,414
Profit for the period		0	5,60,09,592	5,60,09,592
Other comprehensive income (net of tax)		0	0	0
<b>Balance as at March 31, 2017</b>		<b>1,101</b>	<b>28,29,51,905</b>	<b>28,29,53,006</b>
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>

**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, 2018**

**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 2018 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 recognised in the Statement of profit and loss of the year.

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

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

**v) Revenue recognition:**

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

**vi) Provisions and contingencies**

**(a) Provisions**

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

**(b) Contingencies**

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

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

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

**vii) Earnings per share:**

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

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

**Subsequent measurement**

**Financial assets:**

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

**(a) Financial asset carried at amortised cost**

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

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

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

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

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

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

**Financial liabilities and equity instruments:**

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

**a) Equity Instruments**

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

**b) Financial Liabilities**

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

**De-recognition of financial Instrument: -**

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

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

**(x) Impairment**

**A) Financial Asset**

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

**B) Non-Financial Asset**

**(a) Property, plant and equipment and Intangible asset**

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, had no impairment loss been recognized.

Post Impairment, depreciation/amortisation is provided on the revised carrying value of the impaired assets over its remaining useful life.

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

**iv) Allowance for uncollected accounts receivable and advances**

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

**v) Impairment of non-financial assets**

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

**vi) Impairment of financial assets**

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

**vii) Fair value measurement of financial instruments**

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

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

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

Particulars	Computers	Office Equipment	Furniture & Fixtures	Electrical Installation & Fittings	Lorry & Trucks (SLM)	Cars, Scooters & Cycles	Land	Building	Total	Goodwill	Total
<b>Gross Block</b>											
<b>As at April 1, 2016</b>	<b>1,15,17,634</b>	<b>36,38,968</b>	<b>75,79,811</b>	<b>6,22,685</b>	<b>19,79,86,223</b>	<b>5,14,77,590</b>	<b>24,45,049</b>	<b>2,51,71,829</b>	<b>30,04,39,789</b>	<b>5,33,74,000</b>	<b>5,33,74,000</b>
Additions	13,50,000	2,63,304	1,38,835	2,15,800	1,87,67,009	59,68,530	8,75,923	20,40,445	2,96,19,846	0	0
Disposal	31,899	24,150	12,800	0	1,94,94,132	27,14,367	0	0	2,22,77,348	0	0
Adjustments	0	0	0	0	0	0	0	0	0	0	0
<b>As at April 1, 2017</b>	<b>1,28,35,735</b>	<b>38,78,122</b>	<b>77,05,846</b>	<b>8,38,485</b>	<b>19,72,59,100</b>	<b>5,47,31,753</b>	<b>33,20,972</b>	<b>2,72,12,274</b>	<b>30,77,82,287</b>	<b>5,33,74,000</b>	<b>5,33,74,000</b>
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
<b>As at March 31, 2018</b>	<b>1,34,79,255</b>	<b>40,67,827</b>	<b>78,15,340</b>	<b>8,38,485</b>	<b>18,17,82,958</b>	<b>4,60,14,378</b>	<b>33,20,972</b>	<b>2,72,12,274</b>	<b>28,45,31,489</b>	<b>5,33,74,000</b>	<b>5,33,74,000</b>
<b>Accumulated Depreciation</b>											
<b>As at April 1, 2016</b>	<b>89,24,710</b>	<b>26,65,895</b>	<b>68,47,216</b>	<b>4,14,292</b>	<b>10,94,70,871</b>	<b>3,11,61,190</b>	<b>0</b>	<b>1,07,02,020</b>	<b>17,01,86,194</b>	<b>0</b>	<b>0</b>
Depreciation for the period	21,03,746	5,17,645	1,47,972	98,608	1,61,24,610	72,27,684	0	8,06,090	2,70,26,355	0	0
Disposal	30,304	22,942	10,590	0	1,87,78,795	22,11,021	0	0	2,10,53,652	0	0
<b>As at April 1, 2017</b>	<b>1,09,98,152</b>	<b>31,60,598</b>	<b>69,84,598</b>	<b>5,12,900</b>	<b>10,68,16,686</b>	<b>3,61,77,853</b>	<b>0</b>	<b>1,15,08,110</b>	<b>17,61,58,897</b>	<b>0</b>	<b>0</b>
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
Adjustments	0	0	0	0	0	0	0	0	0	0	0
<b>As at March 31, 2018</b>	<b>1,20,45,199</b>	<b>34,97,914</b>	<b>71,05,653</b>	<b>6,02,207</b>	<b>8,55,33,724</b>	<b>2,97,65,212</b>	<b>0</b>	<b>1,22,72,903</b>	<b>15,08,22,812</b>	<b>0</b>	<b>0</b>
<b>Net carrying amount</b>											
<b>As at March 31, 2017</b>	<b>18,37,583</b>	<b>7,17,524</b>	<b>7,21,248</b>	<b>3,25,585</b>	<b>9,04,42,415</b>	<b>1,85,53,900</b>	<b>33,20,972</b>	<b>1,57,04,164</b>	<b>13,16,23,391</b>	<b>5,33,74,000</b>	<b>5,33,74,000</b>
<b>As at March 31, 2018</b>	<b>14,34,056</b>	<b>5,69,913</b>	<b>7,09,687</b>	<b>2,36,278</b>	<b>9,62,49,234</b>	<b>1,62,49,166</b>	<b>33,20,972</b>	<b>1,49,39,371</b>	<b>13,37,08,676</b>	<b>5,33,74,000</b>	<b>5,33,74,000</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, 2018**

	<b>As On 31.03.2018 Amt.In (Rs.)</b>	<b>As On 31.03.2017 Amt.In (Rs.)</b>	<b>As On 01.04.2016 Amt.In (Rs.)</b>
<b>Note : 6 Non-Current Loans</b> (Unconfirmed, Unsecured and Considered Good)			
Security Deposits	1,81,581	1,70,382	1,75,732
Earnest Money Deposits	84,74,130	95,02,034	1,10,16,889
Landlord Security Deposits	3,24,20,181	3,12,49,938	3,07,14,374
<b>Total</b>	<b>4,10,75,892</b>	<b>4,09,22,354</b>	<b>4,19,06,995</b>
<b>Note : 7 Current Investments - At Cost</b> 10,000/- (10,000/-) fully paid up equity shares of Rs 10 each of N.E.C.C. Retail Solutions Private Limited (wholly owned subsidiary)	0	1,00,000	1,00,000
<b>Total</b>	<b>0</b>	<b>1,00,000</b>	<b>1,00,000</b>
<b>Note : 8 Trade Receivables</b> (Unconfirmed, Unsecured and Considered Good)			
Debts outstanding for more than six months	8,39,53,108	7,22,87,984	9,43,79,097
Others Debts	89,23,35,372	119,42,55,929	110,70,68,325
<b>Total</b>	<b>97,62,88,480</b>	<b>126,65,43,913</b>	<b>120,14,47,422</b>
<b>Note : 9 Cash &amp; Cash Equivalent</b> Cash-in-Hand Cash in Hand Funds In Transit	1,21,34,205 33,29,740 1,54,63,945	96,17,632 49,59,310 1,45,76,942	66,20,791 62,25,933 1,28,46,724
<b>Bank Balance</b> Balance - In Current A/c Fixed deposit under PMGKY (Three Years maturity) Balance - In Fixed Deposits	2,16,17,041 17,50,000 73,01,247 3,06,68,288	1,48,44,539 17,50,000 47,08,147 2,13,02,686	1,52,52,732 0 43,39,924 1,95,92,656
<b>Total</b>	<b>4,61,32,234</b>	<b>3,58,79,628</b>	<b>3,24,39,380</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, 2018**

	<b>As On 31.03.2018 Amt.In (Rs.)</b>	<b>As On 31.03.2017 Amt.In (Rs.)</b>	<b>As On 01.04.2016 Amt.In (Rs.)</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	2,75,01,535	1,24,50,938	1,32,65,218
Rates & Taxes Receivable	1,19,00,986	1,60,90,482	1,80,93,778
Prepaid Expenses & Recoverables	3,81,246	3,80,092	19,81,100
Refund Due ( A/Y 09-10)	0	10,44,163	10,44,163
Advance Income Tax/TDS (AY 11-12)	0	2,20,43,455	2,20,43,455
Advance Income Tax/TDS (AY 17-18)	2,90,05,073	2,90,05,073	0
Advance Income Tax/TDS (AY 16-17)	0	0	2,10,55,176
Advance Income Tax/TDS (AY 18-19)	3,57,78,183	0	0
Advance Fringe Benefit Tax (AY 09-10)	0	13,25,000	13,25,000
TDS Recoverable	0	1,33,844	61,827
Other Advances	18,19,76,115	15,10,04,549	12,63,77,494
Interest Accrued but not recieved on FDR	8,11,061	8,11,061	5,31,081
<b>Total</b>	<b>28,73,54,198</b>	<b>23,42,88,656</b>	<b>20,57,78,291</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	1,101
<b>Reserves &amp; Surplus</b>			
Retained Earnings	32,16,88,258	28,29,51,905	22,69,42,313
<b>Total</b>	<b>32,16,89,359</b>	<b>28,29,53,006</b>	<b>22,69,43,414</b>
<b>Note : 13 Non Current Borrowings</b>			
Vehicle Loans:			
Kotak Mahindra Bank	1,57,35,400	87,63,309	2,83,55,272
ICICI Bank Ltd	2,82,176	6,22,224	0
HDFC Bank Limited	1,11,21,338	1,23,56,075	74,75,197
Yes Bank	69,345	1,53,542	0
Audi Finance Limited	0	0	3,60,065
BMW Financial Services Limited	0	16,86,418	40,29,214
(Secured against hypothecation of vehicles financed)			
Kotak Mahindra Bank - Working Capital Term Loan	6,85,56,216	4,54,51,003	1,01,35,901
(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)			
<b>Total</b>	<b>9,57,64,475</b>	<b>6,90,32,571</b>	<b>5,03,55,648</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, 2018**

<b>PARTICULARS</b>	<b>As On 31.03.2018 Amt.In (Rs.)</b>	<b>As On 31.03.2017 Amt.In (Rs.)</b>	<b>As On 01.04.2016 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	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	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	5,01,97,336
Issued during the period	0	0	0
At the end of the period	5,01,97,336	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**

Bonus Shares issued during the financial year 2012-13 3,76,48,002

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

NECC Automobiles (P) Limited	8334152(16.60%)	8334152(16.60%)	8334152(16.60%)
NECC Securities (P) Limited	7656880(15.25%)	7656880(15.25%)	7656880(15.25%)
Sunil Kumar Jain	7663768(15.27%)	12663768(25.23%)	12663768(25.23%)
Suvi Developers P Ltd	3631400(7.23%)	3631400(7.23%)	3631400(7.23%)
Religare Finvest Limited	6036494(12.03%)	6036494(12.03%)	6036494(12.03%)
Utkarsh Jain	153910(0.31%)	958910(1.91%)	3000000 (5.98%)

**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, 2018**

	<b>As On 31.03.2018 Amt.In (Rs.)</b>	<b>As On 31.03.2017 Amt.In (Rs.)</b>	<b>As On 01.04.2016 Amt.In (Rs.)</b>
<b>Note : 14 Current Borrowings</b>			
HDFC Bank Limited	1,14,51,058	1,15,17,919	62,96,380
ICICI Bank Limited	3,39,269	3,08,126	0
Kotak Mahindra Bank	1,27,70,479	2,06,01,844	2,05,40,155
Kotak Mahindra Prime Ltd	0	51,662	3,42,313
Audi Finance Limited	0	3,60,065	20,70,030
Yes Bank Ltd	84,795	77,391	0
BMW Financial Services Limited	16,86,418	23,42,795	21,36,353
(Secured against hypothecation of vehicles financed)			
 Kotak Mahindra Bank - Working Capital Term Loan	 4,86,18,994	 3,01,32,410	 3,80,00,176
Oriental Bank of Commerce (WDCL)	0	35,00,00,000	35,00,00,000
Kotak Mahindra Bank ( OD A/c)	34,66,64,333	21,59,63,080	22,42,98,499
Oriental Bank of Commerce (OD A/c.)	0	8,33,39,590	8,89,28,228
(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	 2,00,00,000	 5,00,00,000	 0
(From Directors)			
<b>Total</b>	<b>44,16,15,346</b>	<b>76,46,94,881</b>	<b>73,26,12,134</b>
<b>Note : 15 Trade Payables</b>			
Sundry Creditors	2,32,71,834	1,63,17,721	4,15,06,955
<b>Total</b>	<b>2,32,71,834</b>	<b>1,63,17,721</b>	<b>4,15,06,955</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, 2018**

	<b>As On 31.03.2018 Amt.In (Rs.)</b>	<b>As On 31.03.2017 Amt.In (Rs.)</b>	<b>As On 01.04.2016 Amt.In (Rs.)</b>
<b>Note : 16 Other Current Liabilities</b>			
Security Deposits	3,45,238	2,55,000	9,11,147
E. S. I. Payable	3,01,189	2,75,896	1,90,958
Provident Fund Payable	9,65,264	9,04,527	8,14,330
Professional Tax Payable	12,120	10,920	10,578
T. D. S. Payable	23,38,436	19,92,071	24,80,166
Service Tax Payable	0	8,68,266	11,67,109
GST Payable	41,56,075	0	0
Bonus/ Ex-Gratia Payable	93,50,163	87,97,944	73,52,173
Lorry Freight Payable	2,29,76,893	1,23,85,788	79,94,147
Claim Payable	3,77,382	1,45,216	1,36,070
Other Expenses & Liabilities Payable	3,20,47,756	2,07,01,427	1,60,90,880
Service Tax Not Due	0	0	20,54,281
<b>Total</b>	<b>7,28,70,516</b>	<b>4,63,37,055</b>	<b>3,92,01,839</b>
<b>Note : 17 Current provisions</b>			
Provision for I. Tax (AY 2018-2019)	1,92,83,911	0	0
Provision for I. Tax (AY 2017-2018)	3,02,54,848	3,02,54,848	0
Provision for I. Tax (AY 2016-2017)	0	0	2,91,76,507
Provision for I. Tax (AY 2011-2012)	0	2,21,60,772	2,21,60,772
Provision for Fringe Benefit Tax (AY 2009-10)	0	12,96,751	12,96,751
Provision for Gratuity	3,50,16,892	3,26,44,146	2,49,72,119
<b>Total</b>	<b>8,45,55,651</b>	<b>8,63,56,517</b>	<b>7,76,06,149</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, 2018**

	<b>As On 31.03.2018 Amt.In (Rs.)</b>	<b>As On 31.03.2017 Amt.In (Rs.)</b>
<b>Note : 18 Revenue from Operations</b>		
Freight	381,77,79,864	544,26,53,101
Loading & Unloading	3,09,40,604	3,72,66,912
<b>Total</b>	<b>384,87,20,468</b>	<b>547,99,20,013</b>
<b>Note : 19 Other Income</b>		
Profit on sale of Fixed Assets	45,46,044	10,09,804
Discount on Finance	40,332	11,34,729
Insurance Claim	0	3,50,806
Interest received	4,42,737	3,64,563
Warehouse Income	43,73,439	41,68,800
<b>Total</b>	<b>94,02,552</b>	<b>70,28,702</b>
<b>Note : 20 Operating / Direct Cost/ Services Availed</b>		
Lorry Freight	335,42,70,852	499,02,64,832
Lorry Maintenance	33,31,415	85,32,824
Loading Expenses	3,09,63,833	0
Commission	98,84,294	97,84,057
Claims	35,86,080	73,59,979
<b>Total</b>	<b>340,20,36,473</b>	<b>501,59,41,692</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, 2018**

	<b>As On 31.03.2018 Amt.In (Rs.)</b>	<b>As On 31.03.2017 Amt.In (Rs.)</b>
<b>Note : 21 Employee Benefit Expenses</b>		
Establishment Expenses	11,56,33,516	10,51,17,122
PF/ESI	89,01,230	78,91,083
Gratuity	45,30,373	89,18,135
Recruitment & Training Expenses	5,09,060	3,33,626
Directors Remuneration	60,75,000	60,00,000
Staff Welfare	23,09,979	30,75,601
<b>Total</b>	<b>13,79,59,157</b>	<b>13,13,35,567</b>
<b>Note : 22 Financial Cost</b>		
Bank Interest	6,62,40,698	7,44,78,825
Finance Cost - Vehicles	51,81,540	60,66,185
<b>Total</b>	<b>7,14,22,238</b>	<b>8,05,45,010</b>
<b>Note : 23 Depreciation &amp; Amortised Cost</b>		
Depreciation	3,14,39,990	2,70,26,355
<b>Total</b>	<b>3,14,39,990</b>	<b>2,70,26,355</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, 2018**

	<b>As On 31.03.2018 Amt.In (Rs.)</b>	<b>As On 31.03.2017 Amt.In (Rs.)</b>
<b>Note : 24 Other Administrative Expenses</b>		
Advertisement & Publicity	77,96,167	19,66,020
Books & Periodicals	15,358	18,285
Business Promotion	17,209	59,896
Bank Charges & Comm.	20,07,655	20,93,125
Car Expenses	25,26,051	26,17,095
Conveyance & Scooter Petrol	16,19,234	18,20,269
Corporate Social Responsibility Expenditure	9,91,842	17,95,249
Diwali Expenses	10,83,121	1,79,950
Donations	4,15,000	2,52,500
Electricity & Water Charges	61,03,666	59,22,057
Fees, Rates & Taxes	6,64,758	26,41,643
General Expenses	9,81,871	14,13,460
Generator Hire & Maintenance Charges	8,12,261	8,98,051
Insurance	21,37,889	39,10,170
Interest/Penalty on Late Deposit TDS	2,19,378	64,828
Investments written off	1,00,000	0
Interest on Late Deposit S. Tax/Additional Demand of S. Tax*	1,09,400	27,13,323
GST	48,57,256	0
Internet Charges	13,59,569	10,20,537
Legal & Professional Expenses	67,10,117	65,26,245
Office Expenses	4,89,950	4,70,700
Packing & Forwarding Expenses	2,41,896	4,47,317
Penalty	87,007	2,35,817
Payment to Auditors	1,50,000	1,50,000
Postage & Courier	17,62,021	17,66,155
Printing & Stationary	33,71,322	34,78,307
Rent	7,53,21,901	6,71,49,313
Repair & Maintenance	98,33,007	1,13,54,733
Scooter Expenses	25,06,661	31,57,384
Security Guard Charges	16,39,556	14,86,422
Scholarship	1,30,000	1,20,000
Subscriptions	32,57,072	4,19,622
Telephone Expenses	39,21,050	51,32,768
Travelling Expenses	93,13,187	88,45,348
Warehouse Charges	26,11,263	18,89,864
<b>Total</b>	<b>15,51,63,697</b>	<b>14,20,16,451</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>
NECC Retail Solutions Private Limited	Wholly owned subsidiary company (Company is in the process of striking off)
Sunil Kumar Jain	Key Management Personnel
Utkarsh Jain	Key Managerial Personnel

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

<b>Description of relationship</b>	
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
N.E.C.C Logistics Limited	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	75,00,000	9,60,000	12,26,269	8,64,000
Directors Remuneration	60,75,000	-	-	-
Loan Received	1,53,45,000	-	-	-
Loan Repaid	4,53,45,000	-	-	-
Sale of Trade Receivables	-	-	-	28,41,35,000
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 77,35,291/-
- For claims/shortage not ascertained nor settled during the year. Claims lodged by customers but not settled by the company Rs 13,94,555/-.
- Approximate Liability on account of major cases filed against the company in various courts aggregating to Rs 3,40,10,077/-

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

29. Tax Deducted at Source (A.Y. 2018-2019) 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 01.04.2017	Deferred Tax Credit/(Charge) for the year	Deferred Tax Asset/(Liability) as at 31.03.18
On account of difference between book & tax dep.	(58,59,965)	(19,10,609)	(77,70,574)
On account of provision of gratuity	1,07,93,134	7,84,501	1,15,77,635
Total	49,33,169	(11,26,108)	38,07,061

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

Payment to Auditors	Amt. In Rs.
Audit Fee	Rs.1,50,000/- (Previous Year Rs.1,50,000/-)
37. 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 Registration 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: 30.05.2018

Sd/-

**Mamta Bisht**

Company Secretary

M. No. 30347

Sd/-

**S.L. Yadav**

CFO

**ATTENDANCE SLIP- 33rd ANNUAL GENERAL MEETING**

Name of the attending Member:	
Name of the proxy:	
No. of share held:	
Folio no* / Client ID:	
DP ID	

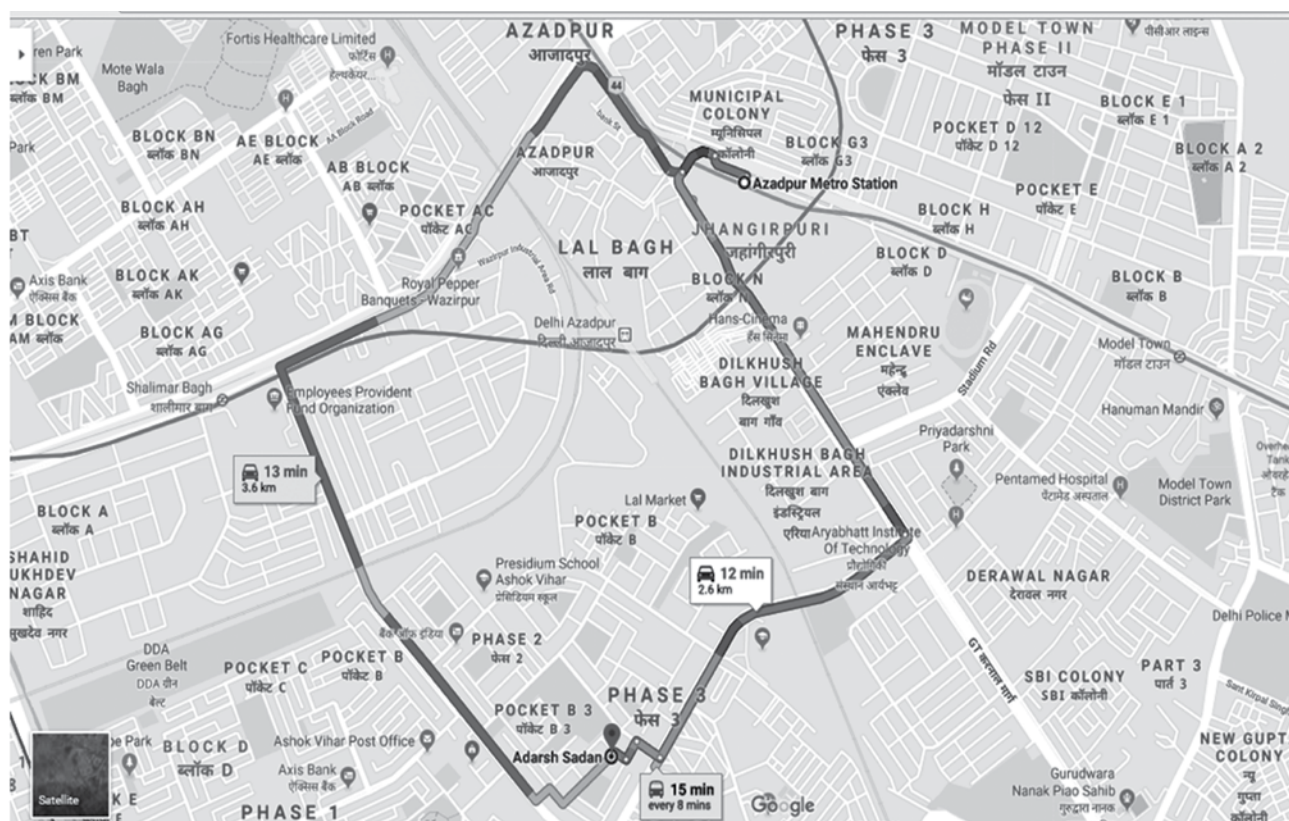
I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company held on Friday, September 28, 2018 at 10:00 A.M. at B-2, Aadarsh Sadan Ashok Vihar Phase II, Delhi-110052.

Member/ Proxy Signature

\*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**





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

*[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/ *Client Id: *DP 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 33rd Annual General Meeting of the Company, to be held on Friday, September 28, 2018 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 resolutions as are indicated below:

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, 2018 along with the Reports of the Board of Directors and the Auditors thereon.
2.	To re-appoint Mr. Utkarsh Jain (DIN: 05271884) as Director of the company, who is liable to retire by rotation and being eligible, offers himself for re-appointment.
<b>Special Business</b>	
3.	To re-appoint Mr. Sunil Kumar Jain as Managing Director of the Company.
4.	To re-appoint Mr. Utkarsh Jain as Whole Time Director of the Company.
5.	To re-appoint Mr. Manoj Kumar Jain as Independent Director of the Company.
6.	To re-appoint Mr. Utsav Jain as Independent Director of the Company.
7.	To re-appoint Mr. Mohak Jain as Independent Director of the Company.

Signed this..... day of.....2018

Signature of the Shareholder

Signature of proxy

Affix Re.  
1/- Revenue  
Stamp

*\* 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 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) 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.

