

# NORTH EASTERN CARRYING CORPORATION LIMITED

9062/47, RAM BAGH ROAD, AZAD MARKET, DELHI-110006

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## **Corporate Information**

Mr. Jaswant Rai Jain	Director
Mr. Sunil Kumar Jain	Chairman
Mr. Praveen Jain	Director
Mr. Sanjiv Jain	Director
Mr. Roshan Dabrial	Non executive & Independent Director
Mr. Kamal Vishal Chand Jain	Non executive & Independent Director
Mr. Manoj Kumar Jain	Non executive & Independent Director
Mr. Mohak Jain	Non executive & Independent Director

## **Registered Office**

9062/47, Ram Bagh Road,  
Azad Market, Delhi-1100 06

Ph: +91-23517516-19  
Fax: +91-23527700, 23516102  
Email: [co@neccgroupp.com](mailto:co@neccgroupp.com)  
Web: [www.neccgroupp.com](http://www.neccgroupp.com)

## **Corporate Office**

“NECC HOUSE”  
9062/47, Ram Bagh Road,  
Azad Market, Delhi-1100 06

## **Bankers**

Oriental Bank of Commerce  
Kotak Mahindra Bank Ltd.

## **Registrar & Share Transfer Agent**

MAS Services Limited  
AB-4, Safdarjung Enclave  
New Delhi- 110029

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# NORTH EASTERN CARRYING CORPORATION LIMITED

9062/47, RAM BAGH ROAD, AZAD MARKET, DELHI-110006

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## **Management**

### **Key Management**

Mr. S.L. Yadav  
Mr. Ravi Gupta  
Mr. R. Balachandran  
Mr. Vinod R. Nair  
Mr. John Vaz

General Manager  
Dty. General Manager  
Dty. General Manager  
Asstt. General Manager  
Asstt. General Manager

### **Functional Head**

Mr. S.N. Singh  
Mr. R.N. Prasad  
Mr. P.J. Singh

Manager Accounts  
Manager IT  
Manager Administration

Mr. A.K. Singh

Company Secretary



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# **NORTH EASTERN CARRYING COPORATION LIMITED**

**C.O.: "NECC House" 9062/47, Ram Bagh Road, Azad Market, Delhi-110006**

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## **NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Shareholders of NORTH EASTERN CARRYING CORPORATION LIMITED will be held on Tuesday, 31<sup>st</sup> day of August, 2010 at the Registered Office of the Company at 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006 at 10.30 A. M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at March 31<sup>st</sup>, 2010 and the Profit & Loss Account for the year ended on that date together with the Auditor's Report and Director's Report thereon.
2. To appoint a director in place of Shri Kamal Vishal Chand Jain who retires by rotation and being eligible offers himself for reappointment on the existing terms & conditions.
3. To appoint a director in place of Shri Manoj Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Auditors to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS:**

5. To Consider and, if thought fit, to pass with or without modification(s) the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Mr. Mohak Jain, who was appointed as an additional director by the Board of Directors of the Company and whose term expires at this Annual General Meeting, be and is hereby appointed director of the company.

6. To Consider and, if thought fit, to pass with or without modification(s) the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 255 and section 268 of the Companies Act, 1956 and all other rules, orders, notifications and clarifications made in this behalf and all applicable clauses of Articles of Association of the Company, the term of office of Shri Jaswant Rai Jain as a director of the Company shall not be subject to liable to retirement by rotation."

7. To Consider and, if thought fit, to pass with or without modification(s) the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 255 and section 268 of the Companies Act, 1956 and all other rules, orders, notifications and clarifications made in this behalf and all applicable clauses of Articles of Association of the Company, the term of office of Mr. Sunil Kumar Jain as a director of the Company shall not be subject to liable to retirement by rotation."

On behalf of the Board of Directors of  
**NORTH EASTERN CARRYING CORPORATION LIMITED**

Place: Delhi  
Date: 29.05.2010

(Sunil Kumar Jain) (Manoj Kumar Jain)  
Director Director

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE PROXY, IN ORDER TO BE VALID, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM FRIDAY, THE 27<sup>TH</sup> DAY OF AUGUST, 2010 TO TUESDAY, THE 31<sup>ST</sup> DAY OF AUGUST, 2010 (BOTH DAYS INCLUSIVE).
4. THE EXPLANATORY STATEMENT, PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM No. 5, 6 & 7 AS SET OUT ABOVE, IS ANNEXED HERETO.

**NORTH EASTERN CARRYING COPORATION LIMITED**

**C.O.: "NECC House" 9062/47, Ram Bagh Road, Azad Market, Delhi-110006**

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EXPLANATORY STATEMENT PURSUANT TO  
SECTION 173(2) OF THE COMPANIES ACT, 1956

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ITEM No. 5

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Mr. Mohak Jain was appointed Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 by the Board of Directors at its meeting held on 15.10.2009. The term of Mr. Mohak Jain as additional director expires at the ensuing Annual General Meeting. However, the company has received a notice under section 257(1) of the Companies Act, 1956 proposing Mr. Mohak Jain as director. The board recommends the resolution for shareholders approval.

Mr. Mohak Jain, Director is interested in the resolution.

ITEM No. 6

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As, per the provisions of section 255 of the Companies Act 1956, 2/3<sup>rd</sup> of the total number of directors are liable to retire by rotation, that is 1/3<sup>rd</sup> of the total directors can be such directors who may not be liable to retire by rotation. Accordingly, therefore, keeping in view the efforts and the experience of our senior director Shri Jaswant Rai Jain, it is now proposed that Shri Jaswant Rai Jain shall not be liable to retire by rotation.

Shri Jaswant Rai Jain, Director is interested in the resolution.

ITEM NO. 7

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As, per the provisions of section 255 of the Companies Act 1956, 2/3<sup>rd</sup> of the total no. of directors are liable to retire by rotation, that is 1/3<sup>rd</sup> of the total directors can be such directors who may not be liable to retire by rotation. Accordingly, therefore, keeping in view the efforts put-in and expertise and experience of Mr. Sunil Kumar Jain, it is now proposed that Mr. Sunil Kumar Jain shall not be liable to retire by rotation.

Mr. Sunil Kumar Jain, Director is interested in the resolution.

On behalf of the Board of Directors of  
**NORTH EASTERN CARRYING CORPORATION LIMITED**

Place: Delhi  
Date: 29.05.2010

(Sunil Kumar Jain)	(Manoj Kumar Jain)
Director	Director

**NORTH EASTERN CARRYING COPORATION LIMITED**  
**C.O.: "NECC House" 9062/47, Ram Bagh Road, Azad Market, Delhi-110006**

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**DIRECTORS' REPORT**

**TO THE SHAREHOLDERS,**

The Directors have pleasure in presenting the Twenty Fifth Annual Report on the business and operations of the Company and the Audited statement of Accounts for the year ended March 31<sup>st</sup>, 2010.

**1. FINANCIAL RESULTS:**

The Financial results of the Company for the year under report are as under:

(Rupees In Lacs)

Particulars	For the		For the
	year ended		year ended
	31.03.2010		31.03.2009
Profit before Depreciation & I. Tax	76,062,064		55,997,432
Less: Depreciation	25,087,231		20,449,059
Profit after depreciation	50,974,833		35,548,373
Less: Provision for Income Tax	17,200,000		9,444,563
Less: Provision for Fringe Benefit Tax	Nil		1,296,751
Less: Provision for Wealth Tax	25,000		25,000
Less: Deferred Tax Liability	419		2,695,572
Add/(Less): Previous Year Adjustment	(13,10,318)		43,900
Profit After Taxation	32,439,096		22,139,449
Add: Profits Brought Forward	90,520,876		68,381,426
Balance Carried Over to Balance Sheet	122,959,972		90,520,875

**2. DIVIDEND:**

Due to inadequate profits, no dividend has been recommended for the year. No transfer to reserves is made.

**3. DIRECTORS:**

Shri Kamal Vishal Chand Jain and Shri Manoj Kumar Jain, Directors of the company, retire by rotation and being eligible offer themselves for reappointment. Their re-appointment is subject to the approval of members at the ensuing Annual General Meeting. Mr. Mohak Jain, who was appointed as Additional Director, offers himself for appointment as Director. It is proposed to appoint Mr. Jaswant Rai Jain and Mr. Sunil Kumar Jain as the permanent directors, who would not be liable to retire by rotation.

**4. AUDITORS' REPORT:**

Auditor's Report on the Final Accounts of the Company is attached herewith. The auditor's report does not contain any adverse remark.

**5. AUDITORS:**

M/s SANGHI & COMPANY, Chartered Accountants retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

**6. PUBLIC DEPOSITS:**

The company has not accepted any deposits within the meaning of section 58A of the Companies Act, 1956 and the rules framed there under.

**7. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:**

There is nothing to be disclosed in respect of Conservation of Energy, Form A of Companies (Disclosure of particulars in the Report of Board of Director) Rules, 1988 does not apply to your Company since the company is not engaged in any manufacturing activity. No agreement has been entered into for Technology absorption. The foreign exchange outgo is NIL/-

**8. INFORMATION PURSUANT TO LISTING AGREEMENT WITH DSE:**

The names and addresses of the Stock Exchanges where the Company' s shares are listed:-

The Delhi Stock Exchange Association Limited  
3 & 4/4 B, Asaf Ali Road,  
New Delhi – 110 002.

The listing fee for 2009-10 has been paid and there being neither de-listing nor suspension of shares from Trading during the year under review.

**9. PARTICULARS OF EMPLOYEES:**

Particulars as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are NIL since none of the employees during the year has earned a monthly remuneration of Rs.200000/- or more.

**10. DIRECTORS QUALIFICATION U/s. 274(1)(g):**

The Board of Directors hereby confirm and represent that none of the directors of the company is disqualified from being appointed as director U/s. 274(1)(g) of the Companies Act, 1956.

**11. DIRECTORS RESPONSIBILITY STATEMENT U/s. 217(2AA):**

- (a) The applicable accounting standards along with proper explanations relating to material departures have been followed in the preparation of the annual accounts.
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31<sup>st</sup>, 2010 and of the profit/loss of the company for the year ended March 31<sup>st</sup>, 2010.
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) The directors have prepared the annual accounts on a going concern basis.

**12. CORPORATE GOVERNANCE:**

Your Company believes in achieving highest standard of Corporate Governance. A Separate report on the Corporate Governance and management discussion and analysis is attached.

**13. ACCOUNTING STANDARDS:**

As notified by the Central Government vide Companies (Accounting Standards) Rules 2006, as amended, the main accounting standards implemented by your company are AS 18 - Related Party Disclosure, AS 20 – Earning Per Share and AS 22 – Accounting for Taxes on Income. 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.

**14. ACKNOWLEDGEMENT**

The directors acknowledge the dedicated services of the employees of the company during the year under review.

On behalf of the Board of Directors of  
**NORTH EASTERN CARRYING CORPORATION LIMITED**

Place: Delhi  
Date: 29.05.2010

(Sunil Kumar Jain)      (Manoj Kumar Jain)  
Director                      Director

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## **"ANNEXURE A" TO THE DIRECTORS REPORT** **REPORT ON CORPORATE GOVERNANCE**

### **PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The key to good Corporate Governance is a well functioning Board of Directors. The Board should have a core group of excellent Directors who understand their role and honestly discharge their fiduciary responsibilities towards the Company's stakeholders. The implementation of the recommendations in totality is a critical success factor for survival, and an aid to brand building. Therefore, ultimate responsibility for putting into the practice lies directly with the Board of Directors and the Management of the Company. The deriving forces of Corporate Governance at North Eastern Carrying Corporation are its core values-belief in people, entrepreneurship, customer orientation and the pursuit of excellence.

The Company's goal is to find creative and productive ways of informing its stakeholders, that is, Investors, Customers and Associates, while fulfilling the role of la responsible corporate committed to best practice. A report on the implementation of the code of corporate governance introduced by SEBI and incorporated in the listing agreement is given below.

### **BOARD OF DIRECTORS**

#### **Composition & category as on March 31<sup>st</sup>, 2010**

The Board of Directors comprises of eight members, four Directors are executive and the other four are non-executive. The non- executive Directors are independent i.e. independent of management responsibilities, free from business or any other relationship, which could materially interfere with the exercise of their independent judgment. The Directors bring to the Board a wide range of experience and skills. The Board consists of the following directors.

Composition, Category and attendance of each director including retired/resigned, at the Board Meetings and the last Annual General Meeting as on March 31<sup>st</sup>, 2010

Name	Position	Category	Change		Attendance			No. of Directorship in other public company	No. of Committee position held in other public company	
					BM* during tenure		AGM		As Chairman	As Member
			Appt.	Resign	Held	Attend				
Sh. Sunil Kumar Jain	Chairman	Executive	10.10.1994	-	22	22	Yes	3	-	5
Sh. Jaswant Rai Jain	Director	Executive	30.09.1995	-	22	18	Yes	-	-	-
Sh. Praveen Jain	Director	Executive	03.01.1986	-	22	06	No	1	-	-
Sh. Sanjiv Jain	Director	Executive	10.10.1994	-	22	04	No	1	-	-
Sh. Roshan Dabriwal	Director	Non-Ex&I*	18.09.2004	-	22	17	Yes	-	-	-
Sh. Kamal Jain	Director	Non-Ex&I*	18.09.2004	-	22	02	No	-	-	-
Sh. Vinay Jain	Add. Director	Non-Ex&I*	10.11.2008	06-07-2009	04	04	No	1	-	-
Sh. Manoj Kr. Jain	Director	Non-Ex&I*	24.03.2009	-	22	18	No	-	-	-
Sh. Mohak Jain	Add. Director	Non-Ex&I*	15.10.2009	-	12	06	No	1	-	-

**\*Non-Ex & I - Non-Executive & Independent Director**

**NOTE:**

- Private Limited Companies, Foreign Companies and Companies constituted under section 25 of the companies Act, 1956 are excluded for the above purpose.
- Only Audit Committee and Share Transfer/Investors Grievance Committee are considered for the purpose of Committee positions as per Listing Agreement.
- None of the Director is a member of more than ten Board level committees or a chairman of five such committees as required under clause 49 of the listing agreement.
- None of the independent directors is related to any other directors. None of the independent directors has any business relationship with the Company.

**Board Meeting Held**

During the year the Board of Directors of North Eastern Carrying Corporation Limited met 22 times i.e. 07.04.2010, 04.05.2010, 30.06.2010, 06.07.2010, 31.07.2010, 11.08.2010, 18.08.2010, 04.09.2010, 30.09.2010, 09.10.2010, 15.10.2010, 21.10.2010, 31.10.2010, 23.11.2010, 21.12.2010, 24.12.2010, 07.01.2010, 18.01.2010, 29.01.2010, 24.02.2010, 12.03.2010 and 31.03.2010 on the maximum gap between any two meetings was not more than four months.

**BOARD COMMITTEE****AUDIT COMMITTEE**

The terms of reference of the Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The changes in committee during the year under review and the composition of the committee as on 31<sup>st</sup> March 2010 is as under:

Members	Designation	Category (as Director)	Particulars of change		No. of meeting attended
			Appointment	Resignation	
Sh. Roshan Dabriwal	Chairman	Non –Executive & Independent	18.09.2004	-	5
Sh. Kamal Jain	Member	Non –Executive & Independent	18.09.2004	-	1
Sh. Vinay Jain	Member	Non –Executive & Independent	10.11.2008	06.07.2009	2
Sh. Manoj Kumar Jain	Member	Non –Executive & Independent	24.03.2009	-	4

During the year the committee has met 6 times on 07.04.2009, 30.06.2009, 31.07.2009, 31.10.2010, 29.01.2010 and 31.03.2010. The minutes of the Audit Committee were placed before the Board.