

Annual Report 2013-14



North EastERN Carrying Corporation Limited

CIN L51909DL1984PLC019485

Reg./ CoRp. offiCe: 9062/47 Ram Bagh Road, azad maRket, DeI hi- 110006

Phone: 011-23517516-19 Fax: 011-23527700, 23516102

Email : cs@neccgroup.com website: www.neccgroup.com

M o v I n g y o u a h e a d

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Corporate Information

Board of Directors

Mr. Sunil Kumar Jain
Mr. Manoj Kumar Jain
Mr. Mohak Jain
Mr. Utsav Jain
Mr. Utkarsh Jain

Chairman & Managing Director
Non executive & Independent Director
Non executive & Independent Director
Non executive & Independent Director
Non executive Director

Registered Office

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

Corporate Office

"NECC HOUSE"
9062/47, Ram Bagh Road,
Azad Market, Delhi-1100 06
Ph: +91-23517516-19
Fax: +91-23527700, 23516102
Email: co@neccgroupp.com
Web: www.neccgroupp.com

Bankers

Oriental Bank of Commerce
Kotak Mahindra Bank Limited

Depositories

NSDL
CDSL

Registrar & Share Transfer Agent

MAS Services Limited
T-34, 2nd Floor,
Okhla Industrial Area, Phase - II,
New Delhi - 110 020
Ph:- 26387281/82/83
Fax:- 26387384
Email:- info@masserv.com
Website: www.masserv.com

Credit Rating Agency

CRISIL LIMITED
CRISIL House - 4th Floor,
Central Avenue Road,
Hiranandani Business Park
Powai, Mumbai - 400076
Phone number - 022-40405899
Fax : (+91) 22- 40405800

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Management

Top Management

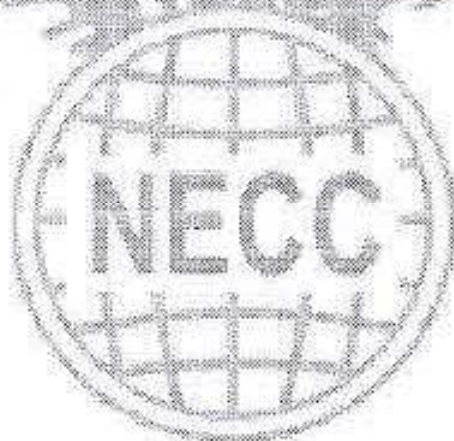
Mr. S.L. Yadav
Mr. R. Balachandran
Mr. Vinod R. Nair
Mr. John Vaz

C.F.O.
Dty. General Manager
Asst. General Manager
Asst. General Manager

Functional Head

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

Manager Accounts
Manager IT
Manager Administration



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DIRECTORS REPORT

TO THE SHAREHOLDERS

The Directors take pleasure in presenting the Twenty-Ninth Annual Report on the business and operation of the Company and the Audited Statement of Accounts for the year ended March 31st, 2014.

1. FINANCIAL PERFORMANCE

The Financial Result of the Company for the year under report is as under:

(Rs. Rupees)

Particulars	For the year ended	
	31.03.2014	31.03.2013
Profit before Depreciation & Income Tax	128730327	116253289
Less: Depreciation	36619203	34911135
Profit after depreciation	92111124	81342154
Less: Provision for:		
Income Tax	36982720	29327214
Wealth Tax	25000	0
Add: Deferred tax Saving	5414665	0
Add: Previous year adjustment	2250084	0
Profit After Taxation	62768153	52014940
Add: Profit brought Forward	52334159	224850368
Less : Profits used for distributing Bonus Shares	0	224531149
Balance Carried over to Balance Sheet	115102313	52334159

2. DIVIDEND

Your Company needs capital for its expansion plans, therefore the board has decided to invest the profit into the operation of the Company. Hence, no dividend is recommended for the year ended 31st March, 2014.

3. SUBSIDIARY COMPANY

Your Company has incorporated a wholly owned Subsidiary Company in the name and style of 'N.E.C.C. Retail Solutions Private Limited' incorporated on 14th February, 2013. However the subsidiary has not commenced any operations till 31.03.2014.

4. SHARE CAPITAL & LISTING OF SHARES

During the period under review, your Company had not issued and allotted any equity shares

The Equity Shares of the Company are listed on BSE LIMITED dated AUGUST 10, 2012 & Delhi Stock Exchange Limited. Your Company has paid the Annual Listing fee and Annual Custody fees to the Stock Exchanges and Depositories up-to-date.

5. DIRECTORS

Mr Utkarsh Jain appointed as Additional Director w.e.f. 16th Day of December 2013, and hold position up to the 29th Annual General Meeting and also liable to retire by rotation. He is being eligible offer himself for re-appointment.

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As per the provisions of Companies Act, 2013, Independent Directors are required to give a declaration that they meet the criteria of Independence in the first Board Meeting in which they participate as Director and thereafter at the first meeting of the Board in each financial year. Accordingly, existing Directors of the Company Mr. Utsav Jain, Mr. Mohak Jain and Mr. Manoj Kumar Jain have declared their status of independence as per the criteria laid down under section 149(6) of the Companies Act, 2013. The Board of Directors on recommendation of Nomination and Remuneration Committee has perused their declarations and has found them to be meeting the criteria of independence. Further, in view of their experience and expertise relevant to the Company's operations, your Directors has deemed it prudent to recommend to the shareholders at the ensuing Annual General Meeting their appointment as Independent Directors, not liable to retirement by rotation pursuant to the provisions of section 149, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013.

In compliance with the Clause 49 IV (G) of the Listing Agreement, brief resume of the Directors, their expertise and other details of Directors proposed to be appointed/ re-appointed are provided in the Notice of Annual General Meeting. Appropriate resolutions for appointment/ re-appointment of the Directors are being placed for approval of the members at the ensuing Annual General Meeting.

6. AUDITORS REPORT

Auditors Report on the final accounts of the Company is attached herewith. The Auditor's Report does not contain any adverse remark.

7. 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 from the conclusion of this Annual General Meeting till the conclusion of 32nd Annual General Meeting.

8. 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.

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

There is nothing to be disclosed in respect of Conservation of Energy, From 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 399089/-.

10. INFORMATION PURSUANT TO LISTING AGREEMENT WITH BSE LIMITED & DELHI STOCK EXCHANGE LIMITED:

The name and address of the Stock Exchange where the Company's shares are listed:-

The BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-4000 01

The Delhi Stock Exchange Limited
3 & 4/4 B, Asaf Ali Road,
New Delhi - 110002

The listing fee for 2014-15 has been paid and there being neither de-listing nor suspension of shares from Trading during the year under review.

11. PARTICULARS OF EMPLOYEES:

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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. 5,00,000/- or more.

12. 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.

13. 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 31st, 2014 and of the Profit/Loss of the Company for the year ended March 31st, 2014.
- (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 and other applicable provisions 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.

14. 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 enclosed as part of this Director Report.

15. ACCOUNTING STANDARDS:


The Institute of Chartered Accountants of India has introduced various Accounting Standards to make the financial statements and disclosures in line with the international accounting practices and disclosures. The main accounting standards implemented by your Company are AS 18 - Related Party Disclosure, AS 20 - Earning per Shares 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 of geographical segments which a reportable segment is based on the definitions, contained in the accounting standard.

16. 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: 30th May, 2014


Sunil Kumar Jain
(Chairman)
DIN 00010695

NORTH EASTERN CARRYING CORPORATION LIMITED

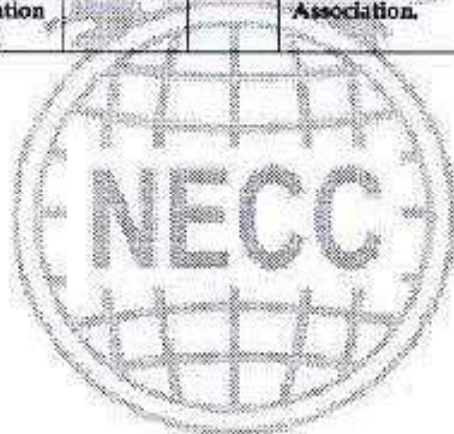
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STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS ON AND FOR THE PERIOD ENDED MARCH 31, 2014

S. No.	Name of the Subsidiary Co.	F.Y. of the Subs. Co.	Holding Co.	Extent of Holding (%)	Face Value of Share	No. of Shares held by the Holding Co.	Net Aggregate amount of profit/loss of the subsidiary so far as it concerns the members of the Holding Co. and is not dealt with in account of Holding Co.
1.	N.E.C.C. Retail Solutions Private Limited	March 31, 2014	North Eastern Carrying Corporation Limited	100	10/-	10000 (As per Subscription Clause of Memorandum of Association.	66227



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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 a 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 31st, 2014

The Board of Directors comprises of Five members. One Director is executive and the other four are non-executive. The Three 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 as on March 31st, 2014 including retired/resigned, at the Board Meetings and the last Annual General Meeting.

Name	Position	Category	Particulars of Change		Attendance		No. of Directorship in other public company	No. of Committee position held in other public company	
			Appt.	Resig.	BM	Last AGM		Chairman	Member
Sh. Sunil Kumar Jain	Chairman & Managing Director	Executive	10.10.94	-	19	Yes	1	-	2
Sh. Utkarsh Jain	Additional Director	Non- Ex	16/12/13	-	7		0	0	0
Sh. Manoj Kumar Jain	Director	Non-Ex & I	24.03.09	-	18	Yes	1	1	1
Sh. Mohak Jain	Director	Non-Ex & I	15.10.09	-	18	Yes	1	-	-
Sh. Utsav Jain	Director	Non-Ex & I	04.01.11	-	18	Yes	1	-	-

*Non-Ex & I = Non-Ex & 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.

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- d) None of the independent directors is related to any other directors. None of the independent directors has any pecuniary business relationship with the Company.

Board Meeting Held

During the year the Board of Directors of North Eastern Carrying Corporation Limited met 19 times i.e. 08/04/2013, 10/04/2013, 27/04/2013, 30/05/2013, 18/06/2013, 08/07/2013, 12/08/2013, 30/08/2013, 30/09/2013, 08/10/2013, 12/11/2013, 23/11/2013, 16/12/2013, 20/12/2013, 02/01/2014, 03/02/2014, 11/02/2014, 04/03/2014 & 24/03/2014 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 composition of the committee as on 31st March 2014 is as under:

Members	Designation	Category (as Director)	Particulars of Change		No. of meeting attended
			Appointment	Resignation	
Sh. Manoj Kumar Jain	Chairman	Non-Ex & I	24.03.2009	-	6
Sh. Mohak Jain	Member	Non-Ex & I	31.08.2010	-	6
Sh. Utsav Jain	Member	Non-Ex & I	22.03.2013	-	6

*Non-Ex & I - Non-Ex & Independent director

During the year the committee has met 6 times on 01.04.2013, 30.05.2013, 12.08.2013, 12.11.2013, 11.02.2014 & 20.03.2014. The minutes of the Audit Committee were placed before the Board.

REMUNERATION COMMITTEE

In compliance with Schedule XIII of the Companies Act, 1956, relating to appointment of Director, Remuneration Committee was constituted on September 18th 2004 by Board of Directors. The composition of the committee as on 31st March 2014 is as under:

Members	Designation	Category (as Director)	Particulars of Change		No. of meeting attended
			Appointment	Resignation	
Sh. Manoj Kumar Jain	Chairman	Non-Ex & I	24.03.2009	-	5
Sh. Mohak Jain	Member	Non-Ex & I	31.08.2010	-	5
Sh. Utsav Jain	Member	Non-Ex & I	22.03.2013	-	5

*Non-Ex & I - Non-Ex & Independent director

Remuneration Committee meeting was held on 01.04.2013, 26.07.2013, 20.11.2013, 16/12/2013 and 25.03.2014. The committee has review the remuneration paid to the director of the Company and not recommended any change.

Remuneration of Directors

Details of remuneration paid to directors during 1st April 2013 to 31st March 2014 & part thereof:

Name	Designation	Salary	Commission	Sitting Fees
Sh. Sunil Kumar Jain	Managing Director	36,00,000/-	Nil	Nil
Sh. Manoj Kumar Jain	Director	Nil	Nil	Nil
Sh. Mohak Jain	Director	Nil	Nil	Nil
Sh. Utsav Jain	Director	Nil	Nil	Nil

No sitting fees have been paid to Non-Executive Independent Directors for attending the Board/Committee meetings.