



**ANNUAL REPORT OF
NORTH EASTERN CARRYING CORPORATION LIMITED
FOR THE FINANCIAL YEAR 2014-15**



Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006
Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102
Email: cs@neccgroup.com; **Website:** www.neccgroup.com



North Eastern Carrying Corporation Limited

CIN: L51909DL1984PLC019485

INDEX

Sl No.	Particulars	Page No.	
		From	To
1.	Corporate Information	1	2
2.	Directors Report	3	10
3.	Extract of Annual Return in Form No. MGT-9	11	19
4.	Nomination and remuneration Policy	20	23
5.	Secretarial Audit report	24	25
6.	Report on CSR Activities of the Company	26	28
7.	Report on Corporate Governance	29	40
8.	Certificate by Executive Director and Vice President pursuant to Clause 49(V) of the Listing Agreement	41	41
9.	Certificate on Corporate Governance pursuant to Clause 49(VII) of the Listing Agreement by Practicing Chartered Accountant	42	42
10.	Declaration by Managing Director w.r.t. compliance with the code of conduct By Board Members and Senior Management	43	43
11.	Disclosure of particulars of contracts/arrangements entered into by the company with related parties in Form No. AOC-2	44	45
12.	Management Discussion and Analysis	46	48
13.	Auditors' Report and Financial Statements (Standalone)	49	69
14.	Auditors' Report and Financial Statements (Consolidated)	70	87
15.	Notice of Annual General Meeting	88	99
16.	Attendance Slip	100	100
17.	Proxy Form in Form MGT-11	101	102
18.	Route Map to the venue of Annual General Meeting	103	103

Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006

Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102

Email: cs@neccgroup.com; **Website:** www.neccgroup.com



North Eastern Carrying Corporation Limited

CIN: L51909DL1984PLC019485

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Chairman & Managing Director
Non Executive- Women Director
Non Executive- Independent Director
Non Executive- Independent Director
Non Executive- Independent Director
Non Executive Director

REGISTERED & CORPORATE OFFICE

9062/47, Ram Bagh Road,
Azad Market, Delhi-1100 06
Ph:011-23517516-19 Fax:011-23527700, 23516102
Email: co@neccgroup.com
Web: www.neccgroup.com

AUDITORS

M/s Sanghi & Co.
F-7, 2nd Floor, 203, Main Road, Kalkaji, Delhi-110019
Ph: 011-41329617
Email: ca_rksanghi@yahoo.co.in

BANKERS

Oriental Bank of Commerce
Kotak Mahindra Bank

DEPOSITORIES

National Securities Depository Limited
Central Depository Securities Ltd

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
Website: www.crisil.com

REGISTRAR & TRANSFER AGENT

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase – II, New Delhi-20
Ph:- 26387281/82/83 Fax:- 26387384
Email:- info@masserv.com
Website: www.masserv.com

MANAGEMENT TEAM

Mr. Shyam Lal Yadav
Mr. Anand Kumar Pandey*
Mr. Ravi Gupta
Mr. Vinod Nair
Mr. D K Singh
Mr. John Vaz
Ms. Avinash Suresh Rao Pande
Mr. S N Singh
Mr. R N Prasad
Mr. Prabhajeet Singh

Chief Financial Officer & Vice President
Company Secretary & Compliance Officer
Corporate Head & Key Accounts
Corporate Head (Legal & HR)
Corporate Head (Operations)
Manager- Business & Operations
General manager(West & South)
Manager Accounts
Manager IT
Manager Administration

**Mr. Anand Kumar Pandey has been appointed as Company Secretary and Compliance Officer w.e.f. 13th June, 2015.*

Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006
Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102
Email: cs@neccgroup.com; **Website:** www.neccgroup.com

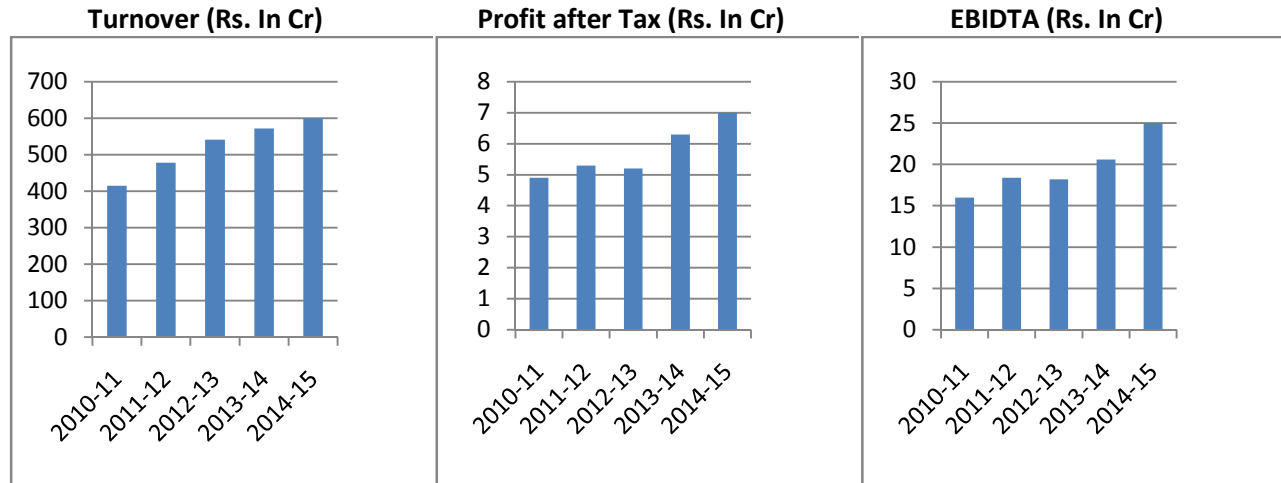


North Eastern Carrying Corporation Limited

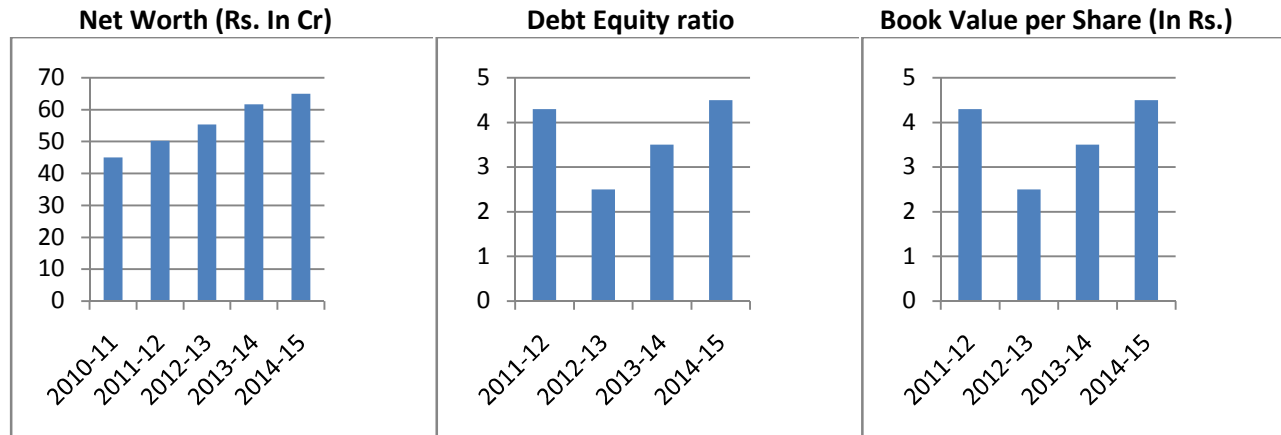
CIN: L51909DL1984PLC019485

FINANCIAL PERFORMANCE AT A GLANCE

PROFIT & LOSS GRAPHS



BALANCE SHEET GRAPHS



Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006

Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102

Email: cs@neccgroup.com; **Website:** www.neccgroup.com



North Eastern Carrying Corporation Limited

CIN: L51909DL1984PLC019485

DIRECTORS REPORT

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

Your Directors are pleased to present their 30th Directors' Report together with the Audited Financial Statements for the Financial Year ended March 31, 2015

1. FINANCIAL PERFORMANCE:

The Financial Result of the Company for the Financial Year under report are as under:

(Rs. Rupees)

Particulars	For the year ended	
	31.03.2015	31.03.2014
Profit before Depreciation & Income Tax	11,84,33,077	12,87,30,327
Less: Depreciation	3,30,56,822	3,66,19,203
Profit after depreciation	8,53,76,255	921,11,124
Less: Provision for:		
Income Tax	2,82,99,985	3,69,82,720
Wealth Tax	0	25,000
Less/ Add: Deferred tax Saving/Liability	2,32,057	54,14,665
Add/Less : Previous year adjustment	18,64,543	22,50,084
Profit After Taxation	5,54,43,784	6,27,68,153
Add: Profit brought Forward	11,51,02,313	5,23,34,159
Balance Carried over to Balance Sheet	17,05,46,097	11,51,02,313

2. EXTRACT OF ANNUAL RETURN:

The Extracts of the Annual Return are enclosed herewith to this Directors Report in Form MGT-9 as "Annexure I".

3. DIVIDEND:

Your Company needs Capital for its expansion plans, therefore the Board of Director has decided to invest the profit into the operation of the Company. Hence, no dividend is recommended for the year ended 31st March, 2015.

4. SHARE CAPITAL:

During the period under review the Company has not issued/allotted any share Capital.

Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006

Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102

Email: cs@neccgroup.com; **Website:** www.neccgroup.com



North Eastern Carrying Corporation Limited

CIN: L51909DL1984PLC019485

However as on date the total Paid-up Capital of the Company is Rs. 50,19,73,360/- comprising of 5,01,97,336 equity shares of Rs. 10/- each. The Equity Shares of the Company are listed on Bombay Stock Exchange Limited & Delhi Stock Exchange Limited.

5. DIRECTORS:

Mr. Utkarsh Jain, Non- Executive Director of the Company is liable to retire by rotation and being eligible, offer himself for re-appointment. His re-appointment is subject to the approval of members at the ensuing Annual General Meeting.

6. DIRECTORS QUALIFICATION:

The Board of Directors hereby confirm and represent that none of the Directors of the Company are disqualified from being appointed as Director u/s 164 of the Companies Act, 2013.

7. DIRECTORS RESPONSIBILITY STATEMENT U/s. 134:

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- i. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- ii. 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 at the end of the financial year and of the profit and Loss of the Company for the that period;
- iii. The Directors have taken proper and sufficient care 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 Directors have prepared the annual accounts on a going concern basis.
- v. The Directors have laid down internal financial controls to be followed by the company and such controls are adequate and are operating effectively.
- vi. The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

8. STATEMENT ON DECLARATION GIVEN BY INDEPENDANT DIRECTORS:

Mr. Utsav Jain
Mr. Manoj Kumar Jain
Mr. Mohak Jain

were the Independent Directors on the Board during the year being more than one third of the total strength of the Board and have remained Independent throughout the year as contemplated in sub section (6) of Section 149.

Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006

Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102

Email: cs@neccgroup.com; **Website:** www.neccgroup.com



9. NUMBER OF BOARD MEETINGS:

The Board of Directors has duly met 9 times on 30.05.2014, 21.07.2014, 13.08.2014, 18.08.2014, 30.08.2014, 30.09.2014, 12.11.2014, 20.01.2015 and 12.02.2015

Else than the above stated Meetings one Meeting of Independent Directors was held on 26.12.2014 to discuss the performance of the Board as whole and Director's independently.

10. FORMAL ANNUAL EVALUATION OF BOARD:

The formal annual evaluation of the Board, Directors and Committees of the Company has been done on the following criteria:

- (a) Attendance and contribution at Board and Committee meetings
- (b) His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- (c) His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
- (d) His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- (e) Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- (f) Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
- (g) Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- (h) His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- (i) His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.

11. AUDIT COMMITTEE:

The Company has duly constituted Audit Committee comprising of Mr. Manoj Kumar Jain, Mr. Mohak Jain and Mr. Utsav Jain all being the Independent Directors.

Further all the Members of the Audit Committee including Chairman posses adequate Financial Knowledge

12. PUBLIC DEPOSITS:

Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006

Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102

Email: cs@neccgroup.com; **Website:** www.neccgroup.com



North Eastern Carrying Corporation Limited

CIN: L51909DL1984PLC019485

The Company has not accepted any public deposits within the meaning of the Companies Act, 2013 and the rules framed there under.

13. INFORMATION PURSUANT TO LISTING AGREEMENT WITH BOMBAY STOCK EXCHANGE 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

However Securities and Exchange Board of India ("SEBI") has cancelled the recognition of all non-operational Stock Exchanges including Delhi Stock Exchange Limited vide its Circular dated 29.12.2008, 30.05.2012 and 17.04.2015. But as your Company is listed on Bombay Stock Exchange hence till it not affect the Listed Status of your Company.

14. RISK MANAGEMENT POLICY:

In the opinion of the Board, following are the risks which would threaten the existence of the Company:

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

Your Company has risk management team constituting the professionals and functional specialists who critically examines and audit the adequacy, relevancy, efficiency and effectiveness of the control system, compliance with policies. The Companies Risk Management Strategy has five stages 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.

15. NOMINATION AND REMUNERATION COMMITTEE AND COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:

The Company has duly established a Nomination and Remuneration Committee. The Board has duly adopted the policy with respect to remuneration for the Directors, Key Managerial Personnel and other Senior Management employees. The policy is annexed herewith as "Annexure II"

16. STATUTORY AUDITORS:

Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006
Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102
Email: cs@neccgroup.com; **Website:** www.neccgroup.com



North Eastern Carrying Corporation Limited

CIN: L51909DL1984PLC019485

M/s Sanghi & Company, Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of previous Annual General Meeting to the Sixth Annual General Meeting subject to ratification of Members at every Annual General Meeting. M/s Sanghi & Company, Chartered Accountants being eligible offer themselves for ratification at this Annual General Meeting to continue their Term upto sixth Annual General Meeting from the conclusion of previous Annual General Meeting.

17. AUDITORS REPORT:

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

18. 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. Your Company duly follows all the notified Accounting Standards for the preparing of Financial Statements of the Company.

19. SECRETARIAL AUDIT:

M/s. Ashish Kumar & Friends, Company Secretaries Firm was appointed as Secretarial Auditor of the Company for the purposes of Secretarial Audit for the year ended 31st March, 2015 at its Board Meeting held on 18.08.2014.

Secretarial Audit Report as given by M/s Ashish Kumar & Friends in terms of Section 204 (1) is enclosed as "Annexure III". There are no qualifications in the Secretarial Audit Report.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Pursuant to the provisions of Section 135 of the Companies Act, 2013 your Company was required to spend 2% i.e. (Rs. 17,00,000/-) of its Net profit for CSR activities but as the Company was engaged in expansion of its business activities, the company was required to spend substantial amount of profit for acquisition of Vehicles for the proposed expansion hence was able to spend only 1.31% i.e. (Rs. 11,20,000/-). The Annual Report on the CSR activities is enclosed as "Annexure IV".

21. 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 **Nil/-**

22. CORPORATE GOVERNANCE:

Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006

Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102

Email: cs@neccgroup.com; **Website:** www.neccgroup.com



North Eastern Carrying Corporation Limited

CIN: L51909DL1984PLC019485

Your Company believes in achieving highest standard of Corporate Governance. A Separate report on the Corporate Governance and Management Discussion and Analysis Report is annexed as **"Annexure V"** as part of this Director Report.

23. LOANS, GAURANTEES AND INVESTMENTS BY COMPANY

The Company has not given any loan or guarantee or security or made any investment during the financial year.

24. RELATED PARTIES TRANSACTION:

In Form AOC-2 enclosed as **"Annexure VI"**.

25. DISCLOSURES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER:

Sl No.	Particulars		
i)	the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director: Mr. Sunil Kumar Jain	Ratio: 30.15:1
ii)	Percentage increase in remuneration of each director and CEO in the financial year	Mr. Sunil Kumar Jain	Percentage: Nil
iii)	Percentage increase in the median remuneration of employees in the financial year		Percentage: 4.73%
iv)	Number of permanent employees on the rolls of company;		Number: 524
v)	Explanation on the relationship between average increase in remuneration and company performance	Explanation: The Business as well as the profit of the Company has decreased hence the Company has not increased the salary much.	
vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Comparison: The Business as well as the profit of the Company has decreased hence the Company has not not increased their salary much.	
vii)	The key parameters for any variable component of remuneration availed by the directors	Key Parameters: Not Availed	
viii)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Name: Mr. Sunil Kumar Jain	Ratio: Not Employee is paid salary in excess of Managing Director
ix)	Affirmation	The Board affirms that the remuneration is as per the remuneration policy of the company	

Regd. Office: 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006

Phone: (011) 2351 7516-17-18-19; **Fax:** (011) 2352 7700, 2351 6102

Email: cs@neccgroup.com; **Website:** www.neccgroup.com