

September 07, 2022

**Corporate Relations  
BSE Limited**  
Phirozejeejeebhoy Towers, Dalal Street,  
Mumbai-4000 01  
**(Security Code : 534615)**

**The Manager (Listing Department)**  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G,  
BandraKurla Complex, Bandra (E)  
Mumbai - 400 051  
**(Symbol: NECCLTD)**

**SUBJECT: 37<sup>TH</sup> ANNUAL REPORT OF NORTH EASTERN CARRYING CORPORATION LIMITED  
FOR THE FINANCIAL YEAR 2021-22.**

Dear Sir,

In pursuance of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a copy of Annual Report of the Company for the Financial Year 2021-22, *inter-alia* containing the Notice of 37<sup>th</sup> AGM of the Company.

The Annual Report is also hosted on Company's website at [www.neccgroup.com](http://www.neccgroup.com).

This is for your kind information and records.

Thanking You,

**For North Eastern Carrying Corporation Limited**  
For North Eastern Carrying Corporation Ltd.

**(Mamta Bisht)**  
**Company Secretary & Compliance Officer**

*Mamta Bisht*  
Company Secretary

**Encl: As above**

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**Annual General Meeting : Friday, 30<sup>th</sup> September, 2022**

**Time : 12.00 Noon.**

**Venue: The Company is conducting meeting through VC/OAVM pursuant to the General Circular dated 5<sup>th</sup> May, 2022 read with Circular dated 5<sup>th</sup> May, 2020 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (referred to as "SEBI Circular"), and thus venue requirements are not applicable for this AGM.**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Sunil Kumar Jain  
Mr. Utkarsh Jain  
Mrs. Reena Gupta  
Mr. Manoj Kumar Jain  
Mr. Mohak Jain  
Mr. Utsav Jain

Chairman & Managing Director  
Whole-Time Director  
Non Executive Director  
Non Executive- Independent Director  
Non Executive- Independent Director  
Non Executive- Independent Director

### **CHIEF FINANCIAL OFFICER**

Mr. Shyam Lal Yadav

### **COMPANY SECRETARY AND COMPLIANCE OFFICER**

Ms. Mamta Bisht

### **SENIOR MANAGEMENT TEAM**

Mr. Ravi Gupta \*  
Mr. Vinod Nair  
Mr. D K Singh  
Mr. S N Singh  
Mr. Prabhajeet Singh

Senior General Manager  
Deputy General Manager  
Assistant General Manager  
Senior Manager - Accounts  
Senior Manager - Administration

*\*Resigned w.e.f 31.07.2022*

### **REGISTERED & CORPORATE OFFICE**

NECC House, 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, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase - II, New Delhi-110020  
Ph:- 011-26387281/82/83 Fax:-011- 26387384  
Email:- info@masserv.com  
Website: www.masserv.com

### **CORPORATE IDENTIFICATION NUMBER (CIN)**

L51909DL1984PLC019485

### **SHARES LISTED AT**

National Stock Exchange of India Limited  
BSE Limited

### **DEPOSITORIES**

National Securities Depository Limited  
Central Depository Securities Limited

### **STATUTORY AUDITORS**

M/s Nemani Garg Agarwal & Co, Chartered  
Accountants  
1517, Devika Tower, 6,  
Nehru Place, New Delhi-110019  
Tel -011-26448022/33  
Email: sknemani@ sknemani.com

### **SECRETARIAL AUDITOR**

A.K. Friends & Co., Practicing Company  
Secretaries  
E-38, 2<sup>nd</sup> Floor behind Hira Sweets, Laxmi Nagar,  
Delhi-110092  
Ph No.- +91-9212000759  
Email-ID: akfriends38@yahoo.co.in

### **BANKERS**

Kotak Mahindra Bank Limited  
DBS Bank India Limited

### **CREDIT RATING AGENCY**

Brickwork Ratings India Pvt Ltd  
No. 29/3 & 32/2, 3rd Floor, Raj Alkaa Park Kalena  
Agrahara, Bannerghatta Road Bangalore KA 560076  
Ph:011-23412232, Fax No. :01123413896  
Email:info@brickworkratings.com  
Website: www.brickworkratings.com







**NOTICE**  
**37<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE THIRTY SEVENTH (37<sup>th</sup>) ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF NORTH EASTERN CARRYING CORPORATION LIMITED (CIN:L51909DL1984PLC019485) WILL BE HELD ON FRIDAY, SEPTEMBER 30, 2022 AT 12.00 NOON.(IST) THROUGH VIDEO CONFERENCING /OTHER AUDIO VISUAL MEANS (VC/OAVM) 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, 2022 along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Utkarsh Jain, Director (DIN: 05271884), who retires by rotation and being eligible, offers himself for re-appointment.

**By Order of the Board**  
**For North Eastern Carrying Corporation Limited**

**Place: Delhi**  
**Date: September 07, 2022**

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

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022 and Circular Nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79 , SEBI/HO/CFD/CMD2/ CIR/P/2021/11 and SEBI/HODDHS/P/CIR/2022/0063 dated May 12, 2020, January 15, 2021 and May 13,2022, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the 37<sup>th</sup> AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the 37<sup>th</sup> AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. Brief resume of the Director seeking appointment/re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} is annexed hereto and forms part of Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for the AGM and, hence, the Proxy Form and Attendance Slip are not annexed to this Notice. The Board of Directors has appointed **Mr. Ashish Kumar Friends, M/s A.K. Friends & Co.,** Practicing Company Secretaries, New Delhi (FCS

5129 & CP No.-4056) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

4. Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy of its Board or governing body resolution/authorization etc., authorizing its representative to attend 37<sup>th</sup> AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization be sent to the Scrutinizer by email through its registered email address to [akfriends38@yahoo.co.in](mailto:akfriends38@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
5. Members attending the 37<sup>th</sup> AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Members can login and join the 37<sup>th</sup> AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the 37<sup>th</sup> AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the 37<sup>th</sup> AGM through VC/OAVM are given in this Notice.
7. 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.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the 37<sup>th</sup> AGM will be provided by NSDL.
9. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the meeting can send in their questions/ comments in advance mentioning their name, demat account number/ folio number, email id, mobile number at [cs@neccgroup.com](mailto:cs@neccgroup.com). The same will be replied by the Company suitably. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the 37<sup>th</sup> AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
10. 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 through electronic mode, without any fee, by the members from the date of circulation of this Notice, up to the date of AGM i.e., September 30, 2022. Members desiring for inspection of said documents are requested to send an e-mail to the Company at [cs@neccgroup.com](mailto:cs@neccgroup.com).
11. In accordance with SEBI LODR (Listing Obligations and Disclosure Requirements) (4th amendment) Regulations, 2018 notified on June 07, 2018 and further notification dated 30/11/2018 any request for physical transfer of shares shall not be processed w.e.f. April 01,2019

Further, in compliance with SEBI vide its circular SEBI/HO/ MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:-

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of MAS Services Ltd, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

***Members holding shares in physical form are requested to dematerialize their holdings at the earliest.***

12. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from 1st January 2022. Registrar will not process, any service requests or complaints received from the member until unless above KYC and nomination will not be completed by shareholder and such shareholders holding will be fridge by RTA on or after 1<sup>st</sup> April 2023.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2)

Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details to be sent at the address of registered office of the RTA. The shareholders can download the forms mentioned in SEBI circular from the website of the RTA website i.e [www.masserv.com](http://www.masserv.com).

***A separate communication has already been sent to the respective shareholders.***

13. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the 37<sup>th</sup> AGM along with the Annual Report 2021- 22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling 37<sup>th</sup> AGM and Annual Report 2021-22 are available on the website of the Company at [www.neccgroupp.com](http://www.neccgroupp.com) and on the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of National Securities Depository Limited (NSDL) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com) (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in Financial Express (English edition) and Jansatta (Hindi edition).
14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies



can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Mas Services Limited, Company's Registrar and Share Transfer Agents ("RTA") (Tel. No. 011 26387281/82/83) for assistance in this regard.

15. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company/RTA in case the shares are held by them in physical form.
16. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the Company/RTA if the shares are held by them in physical form.
17. For receiving all future correspondence (including Annual Report) from the Company electronically–

In case you have not registered your email ID with the Company/ Depository, please follow below instructions to register your email ID for obtaining Annual Report for FY 2021-2022 and login details for e-voting.

#### **Physical Holding**

Send a signed request letter to Registrar and Transfer Agents of the Company, MAS Services Limited at [investor@masserv.com](mailto:investor@masserv.com) providing Folio Number, Name of the Shareholder, scanned copy of the Share Certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR ( Self attested scanned copy of Aadhar Card) with subject line (Register E-mail ID Folio No (Mention Folio No) of North Eastern Carrying Corporation Limited.

#### **Demat Holding**

Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

18. In case a person has become a member of the Company after dispatch of the 37<sup>th</sup> AGM Notice, but on or before the cut-off date for e-voting i.e. **Friday, the September 23, 2022**, such person may obtain the User ID and Password from RTA by e-mail request on [investor@masserv.com](mailto:investor@masserv.com)
19. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
20. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
21. In terms of SEBI Circular dated 09/12/2020, the depository shall send SMS/email alerts regarding the details of the upcoming 37<sup>th</sup> AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.



22. The Scrutinizer shall, after the conclusion of the electronic voting during the 37<sup>th</sup> AGM, assess the votes cast at the meeting through electronic voting system, thereafter unblock the votes cast through remote e-voting and make a consolidated Scrutinizer’s Report and submit the same to the Chairman of the Meeting.
23. The results of the voting indicating the number of votes cast in favour or against each of the Resolution(s), invalid votes and whether the Resolution(s) have been carried out or not, together with the Scrutinizer’s Report, will be uploaded on the website of the Company (www.neccgroup.com) and on NSDL website (www.evoting.nsdl.com) and will also be submitted to BSE Limited and National Stock Exchange of India Limited within the prescribed time. Further, the resolution(s), if passed by requisite majority, shall be deemed to be passed on the date of 37<sup>th</sup> AGM.
24. Instructions for e-voting and joining the 37<sup>th</sup> AGM are as follows:

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called ‘the Rules’ for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice 37<sup>th</sup> Annual General Meeting (AGM) through electronic voting system, to members holding shares as on **Friday, September 23, 2022** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE ASUNDER:-**

**The remote e-voting period begins on Tuesday, September 27, 2022 at 9:00 A.M. and ends on Thursday, September 29, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, September 23, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 23, 2022.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for <b>NSDL IDeAS facility</b> , please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “ <b>Beneficial Owner</b> ”

	<p>icon under “Login” which is available under “<b>IDEAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDEAS</b>” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>



MOVING YOU AHEAD

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [bskashtwal@gmail.com](mailto:bskashtwal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor@masserv.com](mailto:investor@masserv.com) or [cs@neccgroup.com](mailto:cs@neccgroup.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@masserv.com](mailto:investor@masserv.com) or [cs@neccgroup.com](mailto:cs@neccgroup.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository



Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@neccgroup.com](mailto:cs@neccgroup.com). The same will be replied by the company suitably.

**General Instructions**

- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- ii. **Mr. Ashish Kumar Friends, M/s A.K. Friends & Co.,** Practicing Company Secretaries, New Delhi (FCS 5129 & CP No.-4056), has been appointed for as the Scrutinizer for providing

facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

- iii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are present VC / OAVM at the AGM but have not cast their votes by availing the remote e-voting facility.
- iv. 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 three days 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.
- v. The Results declared alongwith 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 communicated to the BSE Limited and National Stock Exchange of India Limited within the prescribed time.

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

**Place: Delhi**

**Date: September 07, 2022**

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

**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>S. No.</b>	<b>Particulars</b>	<b>Mr. Utkarsh Jain</b>
1.	DIN	05271884
2.	Age	28
3.	Qualification	BSc (Hons) in Management Studies from the University of Nottingham, United Kingdom, IBS Hyderabad.
4.	Background details/Nature of Expertise	He 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 he 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.
5.	Date of first appointment on the Board	16/12/2013
6.	Past Remuneration	Rs.12,00,000/- (Rupees Twelve Lakhs only) per annum
7.	Recognition or Awards	Not applicable
8.	Job Profile and his suitability	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

9.	Terms & conditions of appointment and proposed remuneration to be paid.	Mr. Utkarsh Jain is appointed as Executive Director with total remuneration of Rs.12,00,000/-. Terms & conditions of appointment are mentioned in Board resolution dated, 30 <sup>th</sup> Day of September, 2014 with the recommendation of Nomination & Remuneration Committee & approved by the members of the Company. Proposed remuneration is to be recommended by the Nomination & Remuneration Committee and approved by Board of Directors and Members of the Company.
10.	Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any	Mr. Utkarsh Jain is the Promoter and Shareholder of the Company and son of Mr. Sunil Kumar Jain, Managing Director of the Company.
11.	Directorship held in other Companies	<ol style="list-style-type: none"> <li>1. GAURANG DEVELOPERS PRIVATE LIMITED</li> <li>2. SUPER REALCON PRIVATE LIMITED</li> <li>3. SHREYANS BUILDTECH PRIVATE LIMITED</li> <li>4. SHREYANS LOGISTICS PRIVATE LIMITED</li> <li>5. N E C C LOGISTICS LIMITED</li> <li>6. SUVI DEVELOPERS PRIVATE LIMITED</li> <li>7. N E C C AUTOMOBILES PRIVATE LIMITED</li> <li>8. SHREYANS BUILDWELL PRIVATE LIMITED</li> <li>9. N E C C SECURITIES PRIVATE LIMITED</li> <li>10. INDIKA AGRO PRODUCTS PRIVATE LIMITED</li> <li>11. SHUBHI AGENCIES PRIVATE LIMITED</li> </ol>
12.	Memberships/Chairmanships of committees of other companies	Nil
13.	Number of Board Meetings attended during the year.	Ten. Details of the same form part of the Corporate Governance Report.

**Date: September 07, 2022**

**Place: Delhi**

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

**Sd/-**

**Sunil Kumar Jain**

**(Chairman and Managing Director)**

**DIN: 00010695**



## BOARD'S REPORT

To  
The Members,  
North Eastern Carrying Corporation Limited

Your Board of Directors has immense pleasure in presenting the Thirty Seventh (37<sup>th</sup>) Annual Report of North Eastern Carrying Corporation Limited (the "Company") together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

### 1. FINANCIAL HIGHLIGHTS

**1.1** The highlights of performance of the Company for the financial year 2021-22 were as under with comparative position of previous year's performance:

(Rs. in Lakhs except EPS)

<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>	<b>(% Growth)</b>
Revenue from Operations	25042.77	23058.64	8.60
Profit before Tax	568.64	118.14	381.33
Tax	142.89	24.87	474.55
Profit After Tax	425.75	143.01	197.71
Total Comprehensive Income	421.57	143.01	194.78
Earning per Share(EPS)	0.85	0.28	203.57

### 1.2 FINANCIAL PERFORMANCE

During the year, the revenue from operations has been increased to Rs. 25042.77 Lakhs as against Rs. 23058.64 Lakhs in the previous financial year 2020-21 registering a profit of 8.60%. Our Net profits has Increased to Rs. 425.75 Lakhs for the current financial year 2021-22 as against Rs. 143.01 Lakhs in the previous financial year 2020-21, recording an increase of 197.71 %.

### 1.3 STATE OF THE COMPANY'S AFFAIRS

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

- Work order worth of Rs. 19.05 Cr from Tata Steel Mining Limited to be effective from 01.04.2022 till 31.03.2023 to conduct transportation of chrome ore and related activities safely from Sukinda.
- Work order worth of Rs. 20.10 Cr from TATA Steel Ltd to arrange for mechanised loading of the dumpers/trucks by deploying his own pay loader, to facilitate trucks/dumpers for
- loading from bunker and to provide and arrange for mechanized loading of wagons including leveling along with all associated activities.
- Work order worth of Rs. 135.94 Cr from TATA Steel Ltd to provide adequate numbers of trucks/dumpers inside KIM mine & Katamati Mine for transportation of iron ore.
- In Continuation of the work order received from **TATA STEELS LIMITED** for transportation of their raw materials and mining products from Joda/ NOMA Mandi. We have successfully completed 50 % of the work order upto 31.05.2022 and remaining work will be accomplished by 31.08.2023
- Partial truck load Sundry Movement is decreased from 58.17 % in the previous year 2020-21 to 54.61 % in the current year 2021-22.
- Full truck load is increased from 41.83% in the previous FY 2020-21 to 45.39% in the current FY 2021-22.
- The Company is looking to expand its existing 1.5 mn. sq.ft warehousing capabilities over the next years across 250 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 39% of total revenues in FY 2021-22 as compared to 34% in FY 2020-2021
- Rating of Brickwork Ratings BBB- stable on our long-term debt and A3 on short Term Loan.

## **2. DIVIDEND**

Your Company needs Capital for its expansion plans, therefore the Board of Director has decided to invest the profit into the operations of the Company. Hence, no dividend is recommended for the financial year ended 31<sup>st</sup> March, 2022.

## **3. SHARE CAPITAL**

As on March 31, 2022, the Authorized Share Capital of the Company was Rs.10,000.00 Lakhs consisting of 10,00,00,000 equity shares of Rs.10/- each and the issued & paid up share capital of the Company was Rs.5019.73 Lakhs consisting of 5,01,97,336 equity shares of Rs.10/- each.

## **4. TRANSFER TO RESERVES**

The Company doesn't propose to transfer any amount to General Reserve during the financial year 2021-22.

## **5. ANNUAL RETURN**

In accordance with Section 92(3) of the Act, the annual return is available on the Company's website at [www.neccgroupp.com](http://www.neccgroupp.com).

## **6. CORPORATE GOVERNANCE**

We, at NECC, believe that good and effective Corporate Governance is critical to achieve corporate vision and mission of the organization; it is more of an organizational culture than a mere adherence to rules and regulations. Your Company has established and maintained a strong ethical environment, overseen by Board of Directors, where 3 out of 6 Directors are Independent. The Company's practices and policies reflect the true spirit of Corporate Governance initiatives.

Your Company is in compliance of all mandatory requirements of Corporate Governance as stipulated as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. In terms of Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a Report on Corporate Governance along with Compliance Certificate issued by the Practicing Company Secretaries, M/s A. K. Friends & Co. is attached and forms integral part of this Report (herein referred to Corporate Governance Report").

## **7. BOARD & COMMITTEES OF BOARD**

The details of the composition, terms of reference and number of meetings of the Board and its Committee held during the financial year 2021-22 are provided in the Corporate Governance Report.

## **8. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As per the provisions of Section 152 of the Companies Act, 2013 and in Articles of Association of the Company, Mr. Utkarsh Jain (DIN: 05271884), shall retire by rotation in the ensuing 37<sup>th</sup> Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors hereby confirms and represent that none of the Directors of the Company are disqualified from being appointed as Director pursuant to Section 164 of the Companies Act, 2013. Mr. Manoj Kumar Jain, Mr. Mohak Jain and Mr. Utsav Jain, Independent Directors have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and in Listing Regulations.

Brief particulars and expertise of director seeking reappointment together with their other directorships and committee memberships have been given in the annexure to the Notice of the





Annual General Meeting in accordance with the requirements of the Listing Regulations and applicable Secretarial Standards.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company as on date of this report:

1. Mr. Sunil Kumar Jain, Chairman & Managing Director
2. Mr. Utkarsh Jain, Whole-Time Director
3. Mr. Shyam Lal Yadav, Chief Financial Officer
4. Ms. Mamta Bisht, Company Secretary & Compliance Officer.

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

With reference to Section 134(5) of the Companies Act, 2013, your Directors hereby confirmed that:-

- i. in the preparation of the annual accounts for the financial year ended March 31, 2022, 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 2021-22 and of the profit and Loss of the Company for the that period;
- iii. proper and sufficient care is taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.
- v. Internal financial controls have been laid down to be followed by the Company and such internal financial controls were adequate and operating effectively; and
- vi. the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such systems were adequate and are operating effectively.

**10. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

M/s Nemani Garg Agarwal & Co, Chartered Accountants, the Statutory Auditors of the Company, has audited the financial statements included in the Annual Report and has issued an attestation report on our internal control over financial reporting (as defined in Section 143 of Companies Act 2013).

**11. AUDITORS**

**STATUTORY AUDITORS**

Members in their 36<sup>th</sup> AGM had appointed M/s. Nemani Garg Agarwal & Co., Chartered Accountants, (Firm Registration No. 010192N) as Statutory Auditors of the Company to hold office for a period of upto 5 (Five) years i.e. till the conclusion of the 41<sup>st</sup> AGM of the Company to be held in the financial Year 2026. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors' Report for the financial year ended March 31, 2022 contains the following qualifications made by the statutory auditors:

1. The Company has not provided provision for doubtful debts.
2. The Company has not recognized right to use assets of leased property.
3. The Debit & credit balances are subject to confirmation.



However, the management clarified that:

1. The Company has not provided provision for doubtful debts since the debtors are fully realizable.
2. The Company has not recognized right to use assets of leased property since the lease are not long term lease.
3. Company is in process of getting confirmation from parties.

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Ashish Kumar Friends & Co., Practicing Company Secretaries (COP No.4056), New Delhi to undertake the Secretarial Audit of the Company for the year ended March 31, 2022. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed to this report as **Annexure II**.

The Secretarial Audit Report for the financial year ended March 31, 2022 do not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, under Section 143 (12) of the Act, neither the statutory auditors nor the secretarial auditors have reported to the Audit Committee, any instances of material fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's Report

#### **INTERNAL AUDIT**

Pursuant to Section 138 of the Act & rules made thereunder, M/s Sanghi & Co., Chartered Accountant (Firm Registration No. 012619N), was appointed as Internal Auditor of the Company in place of Ms. Shikha Sharma who has resigned from the post of Internal Auditor w.e.f 14.02.2022.

#### **12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY COMPANY**

Pursuant to Section 186 of the Act and Schedule V of the SEBI Listing Regulations, disclosure on particulars relating to loans, advances, guarantees and investments are forms part of the financial statements and are provided in this Annual Report

#### **13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Section 188 of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014 and Regulation 23 of the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations.

The Particulars of contract or arrangement entered into by the Company with related parties as per the provisions of Section 188 of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014 are disclosed in Form AOC-2, in **Annexure I** 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.necgroup.com/wp-content/uploads/2016/03/Policy-on-Related-Party-Transaction-NECC.pdf>

#### **14. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

There are no significant particulars relating to Conservation of Energy, technology absorption under Rule 8(3) of Companies (Accounts) Rules, 2014 since your Company is not engaged in any manufacturing activity. No agreement has been entered into for Technology absorption.



However, the Company has made intensive use of technology in its operation during the year under review.

**15. PARTICULARS REGARDING EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The Company has not incurred any expenditure on Research & Development during the financial year 2021-22. Further, the Company has no earning or outgo in Foreign exchange as per Rule 8(3) of Companies (Accounts) Rules, 2014.

**16. RISK MANAGEMENT**

Risk Management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks.

Although not mandatory as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as a measure of good governance, the Company had constituted a Risk Management Committee of the Board, however the same was dissolved at the duly convened meeting of the Risk management committee held on September 04, 2021.

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://necgroup.com/wp-content/uploads/2015/02/Risk-managment-Policy.pdf>

**17. CORPORATE SOCIAL RESPONSIBILITY**

The “Corporate Social Responsibility Policy” prepared in the line with the provisions of Section 135 of the Companies Act, 2013 and Rules made there under, The Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Schedule VII of the Companies Act, 2013 including any statutory modification or amendment thereto was approved by the Board of Directors of the Company. The “Corporate Social Responsibility Policy” is available on the website of the Company at website link <http://necgroup.com/wp-content/uploads/2015/02/CSR-Policy.pdf>

As per section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crores or more during preceding financial year shall spend atleast 2% of the average net profits before tax made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.



Since the criterions set out in Section 135 of the Companies Act, 2013 is not applicable to your Company, no sum was spent on CSR during the Financial Year 2021-22.

**18. EVALUATION OF BOARD OF DIRECTORS/INDEPENDENT DIRECTORS**

During the year, the Board has carried out an Annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The Chairman of the Committee also had interactions with each of the Directors and sought their feedback and suggestions on the overall Board Effectiveness and Directors performance.

A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared based on the Guidance note issued by SEBI vide circular no, CMD/CIR/P/2017/004 dated 05.01.2017 and MCA vide Notification dated July 5, 2017 also prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism, prescribed in Schedule IV of the Companies Act, 2013,

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board who were evaluated on parameters such as guidance/support to management outside Board/ Committee meetings, degree of fulfillment of key responsibilities, effectiveness of meetings etc.

In addition, pursuant to the provisions of Schedule IV to the Companies Act, 2013 the Independent Directors reviewed the performance of the Non-Independent Directors and of the Board as a whole, performance of the Chairman of the Board taking into account the views of all the Directors, and the quality, quantity and timeliness of flow of information between the Company management and the Board and its sufficiency for the Board to effectively perform its duties.

**19. SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES**

There is no Subsidiary, Joint Ventures and Associate Companies during the Financial Year 2021-22.

**20. PARTICULARS OF EMPLOYEES AND REMUNERATION**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this report as **Annexure III**. None of the employees listed in the said Annexure is related to any Director of the Company.

**21. HUMAN RESOURCE MANAGEMENT**

The COVID pandemic has changed the focus of employee experience to sustaining the performance and engagement of a distributed workforce where some employees work fully remote or partially remote and others at the workplace

At a very fast pace, the Company adopted tech-driven solutions to variety of problems faced during this period. This, in turn, has helped in enhanced business productivity & increased workforce effectiveness.

Your Company has more than 270 branches across PAN INDIA, NEPAL and operational set ups into BHUTAN and BANGLADESH and the total Manpower of the Company as on March 31, 2022 was 450 employees which include Executives and Non-Executives. In order to increase the professional culture in the Company, 158 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.

TRAINING	DATE	VENUE
E WAY BILL IMPLEMENTATION	21.07.2021	CORPORATE TRAINING CENTRE, DELHI
E WAY BILL IMPLEMENTATION	27.07.2021	CORPORATE TRAINING CENTRE, DELHI

• **REPRESENTATION OF WOMEN EMPLOYEES**

As on March 31, 2022, the Company has 11 women employees, which represent 2% of the total work force. There is no discrimination of employees on the basis of gender. An internal compliant committee has been constituted to look after the welfare and provide protection against sexual harassment of women at workplace.

• **AWARDS AND RECOGNITION TO EMPLOYEES**

Employees' management is the backbone of your Company and it is regarded as one of the important resources for the success of NECC. Over the years, your Company has strengthened its HR processes to ensure continual development and growth of its employees. In order to build the right organizational culture, the Company distributes various awards and recognition in terms of their performance, capabilities, communication skills, coordination etc. on quarterly or half yearly basis. Though NECC is an equal opportunity employer, special focus is given to employees for enhance their diversity and knowledge.

22. **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, every employer of a workplace shall constitute an "Internal Compliant Committee" for redressal of compliant(s) against sexual harassment of women employees. Your Company has about 11 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.

There was no complaint received from any employee during the financial year 2021-22 and hence no complaint is outstanding as on March 31, 2022 for redressal.

23. **STATUTORY DISCLOSURES**

1. There was no change in the nature of business of the Company during the financial year 2021-22.
2. The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 during the financial year 2021-22.





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, 2022 and the date of this Report.
6. The Company has not issued any Stock options to the Directors' or any employee of the Company.
7. Information on composition, terms of reference and number of meetings of the Board & its Committees held during the year, establishment of vigil mechanism/whistle blower policy and web-links for familiarization/training policy of Directors, Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions and Policy for determining Material Subsidiaries, Compensation to Key Managerial Personnel, Sitting fees to Independent Directors, etc. have been provided in the Report on Corporate Governance, prepared in compliance of provisions of SEBI (LODR) Regulations, 2015, as amended from time to time, which forms part of the Annual Report.
8. No new Independent Directors were appointed on the Board of Directors of the Company during the financial year 2021-22, requiring disclosure to be made under Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014.
9. The Company is compliant with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**24. MATERIAL CHANGES AFFECTING THE COMPANY**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

However, The consent of the Board of Directors of the Company has been accorded on July 05, 2022 for issue of equity shares of the Company having face value of Rs. 10.00/- [Indian Rupees Ten Only] for an amount not exceeding Rs. 85,00,00,000/- (Indian Rupees Eighty five Crore Only) to the existing shareholders on rights basis in their existing proportion.

**25. MAINTENANCE OF COST RECORDS**

The Central Government has not prescribed the maintenance of cost records for the products/services of the Company under Companies (Cost Records and Audit) Rules, 2014, read with Companies (Cost Records and Audit) Amendment Rules, 2014 prescribed by the Central Government under Section 148 of the Companies Act, 2013. Accordingly, Cost Accounts and Records are not required to be maintained by the Company

**26. POLICIES**

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies.

All our corporate governance policies are available on our website i.e. [www.neccgroup.com](http://www.neccgroup.com)

**27. STATUTORY AND OTHER INFORMATION REQUIREMENTS**

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



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

**28. 'THINK GREEN, GO GREEN' INITIATIVE**

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. As a responsible Corporate Citizen, the Company has actively supported the implementation of 'Green Initiative' of the Ministry of Corporate Affairs (MCA) and effected electronic delivery of Notices and Annual Reports to shareholders, whose email IDs are registered.

Further, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing e-voting facility to all members to enable them to cast their votes electronically in respect of resolutions set forth in the Notice of Annual General Meeting (AGM). The Company will also be conducting the AGM this year through Video Conferencing / Other Audio Visual Means. Members can refer to the detailed instructions for e-voting and electronic participation in the AGM, as provided in the Notice of the AGM.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar and Share Transfer Agent (R&TA) of the Company/Depository Participant (DP) of the respective member and take part in the Green Initiative of the Company.

**29. WHISTLE BLOWER MECHANISM**

Pursuant to Section 177(9) of the Act, a vigil mechanism has been established for Directors and employees to report to the management, instances of unethical, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Ethics and Whistle Blower Policy provides for direct access to the Chairperson of the Audit Committee. The policy is available on the Company's website and can be accessed at:

<http://necgroup.com/wp-content/uploads/2015/02/Vigil-Mecchanism-Policy.pdf>

**30. THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the year under review, there is no application made/proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

**31. VALUATION AT THE TIME OF ONE TIME SETTLEMENT**

During the year under review, the Company has not entered in any one time settlement with any of the Banks/Financial Institutions and therefore, the relevant disclosures are not applicable to the Company.

**32. ACKNOWLEDGEMENT**

The Board of Directors place on record their sincere appreciation for the continued support and goodwill of the esteemed Shareholders, Bankers, Financial Institutions, Business partners and other Stakeholders. The Directors also thank to M/s, Nemani Garg Agarwal & Co, Statutory Auditor and M/s Ashish Kumar Friends & Co., Secretarial Auditor and other professionals for their valued contribution. The Directors also sincerely appreciate and thank all the employees of



the Company for their valuable contribution and dedicated efforts in steering the Company to excellent performance for yet another year in succession.

**Place: Delhi**

**Date: September 07, 2022**

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

**Sd/-**

**(Sunil Kumar Jain)**

**Chairman and Managing Director**

**DIN: 00010695**

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

**FORM AOC-2**

**DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

**A. Details of contracts or arrangements or transactions not at arm’s length basis:**

S. No.	Particulars	Details
1.	<b>Details of contracts or arrangements or transactions not at arm’s length basis</b>	Not Applicable
	Name(s) of the related party and nature of relationship	
	Nature of contracts/arrangements/transactions	
	Duration of the contracts/arrangements/transactions	
	Salient terms of the contracts or arrangements or transactions including the value, if any	
	Justification for entering into such contracts or arrangements or transactions	
	date(s) of approval by the Board	
	Amount paid as advances, if any:	
	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

**B. Details of material contracts or arrangement or transactions at arm’s length basis:**

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 40,000/-P.M. (Rupees Forty Thousand Only)	15.03.2019	Nil
2.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 40,000/-P.M. (Rupees Forty Thousand Only)	15.03.2019	Nil
3.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only)	15.03.2019	Nil

4.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only)	15.03.2019	Nil
5.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only)	15.03.2019	Nil
6.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 25,000/-P.M. (Rupees Twenty five thousand Only)	15.03.2019	Nil
7.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 50,000/-P.M. (Rupees Fifty Thousand Only)	15.03.2019	Nil
8.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 20,000/-P.M. (Rupees Twenty Thousand Only)	15.03.2019	Nil
9.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 25,000/-P.M. (Rupees Twenty Five Thousand Only)	15.03.2019	Nil
10.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 75,000/- P.M. (Rupees Seventy Five Thousand Only) from 1.04.2019 to 31.03.2020 and Rent of INR 1,50,000/-P.M. (Rupees One Lakh Fifty Thousand Only) from 1.04.2020 to 31.02.2022	15.03.2019	Nil
11.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 10,000/-P.M. (Rupees Ten Thousand Only)	15.03.2019	Nil
12.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 15,000/-P.M. (Rupees Fifteen Thousand Only)	15.03.2019	Nil
13.	<b>Mr. Sunil Kumar Jain</b> <u>Nature:</u> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 10,000/-P.M. (Rupees Ten Thousand Only)	15.03.2019	Nil



14.	<b>Mr. Sunil Kumar Jain</b> <b>Nature:</b> Sunil Kumar Jain is the Managing Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 25,000/-P.M. (Rupees Twenty Five Thousand Only)	15.03.2019	Nil
15.	<b>Sunil Jain HUF</b> <b>Nature:</b> Mr. Sunil Kumar Jain is Managing Director of the Company and also the Karta of Sunil Jain HUF	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 36,000/-P.M. (Rupees Thirty Six Thousand Only)	15.03.2019	Nil
16.	<b>Mrs. Vanya Jain</b> <b>Nature:</b> Mrs. Vanya Jain is spouse of Mr. Sunil Kumar Jain	Lease Agreement	1.04.2020 to 31.03.2022	Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only)	15.03.2019	Nil
17.	<b>Mr. Utkarsh Jain</b> <b>Nature:</b> Mr. Utkarsh Jain is the Whole-Time Director of NECC Ltd.	Lease Agreement	1.04.2019 to 31.03.2022	Rent of INR 50,000/-P.M. (Rupees Fifty Thousand Only)	15.03.2019	Nil
18.	<b>Shreyans Buildtech Private Limited</b> <b>Nature:</b> Directors of the Company are in the Board of Shreyans Buildtech Private Limited	Lease Agreement	01.04.2021 to 31.03.2022	Rent of INR 75,000/-P.M. (Rupees Seventy Five Thousand Only)	13.02.2020	Nil
19.	<b>Shreyans Buildwell Private Limited</b> <b>Nature:</b> Directors of the Company are in the Board of Shreyans Buildtech Private Limited	Lease Agreement	01.04.2021 to 31.03.2022	Rent of INR 44,097/-P.M. (Rupees Forty Four Thousand Ninety seven Only)	13.02.2020	Nil

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

Place: Delhi

Date: September 07, 2022

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

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

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31<sup>st</sup> March, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **North Eastern Carrying Corporation Limited** (hereinafter called “The Company”) for the financial year ended 31<sup>st</sup> March, 2022 [**“period under review”**]. The 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 Company’s 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 31<sup>st</sup> March, 2022 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 the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder including any re-enactment thereof;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (*Issue of equity shares of the Company to the existing shareholders on rights basis in their existing proportion.*)

- 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. Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.

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.

#### **Recommendations as a matter of best practice:**

In the course of our audit, I have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

#### **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 hold the Board Meetings and Committee 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** during the period under review, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

#### **1. Issue of Equity Shares under Right Issue**

The consent of the Board of Directors of the Company has been accorded on July 05, 2022 for issue of equity shares of the Company having face value of Rs. 10.00/- [Indian Rupees Ten Only] for an amount not exceeding Rs. 85,00,00,000/- (Indian Rupees Eighty five Crore Only) to the existing shareholders on rights basis in their existing proportion.

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

**Place: New Delhi  
Date: September 07, 2022**

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 as **Annexure 'I'** and forms an integral part of this report.

### **ANNEXURE I**

#### **ANNEXURE TO SECRETARIAL AUDIT REPORT (**

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

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company; we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Given the challenges and limitations posed by Covid-19, lockdown restrictions (wherever applicable), as well as considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.

7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test-check basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/ to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: New Delhi**  
**Date: September 07, 2022**

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

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



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

**PARTICULARS OF EMPLOYEES AND REMUNERATION**

Statement under Section 197(12) of the Companies Act, 2013 read with 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 2021-22:**

S. No.	Name(s) of Director(s)	Designation	Ratio to Median Remuneration
1.	Sunil Kumar Jain	Managing Director	24.84
2.	Utkarsh Jain	Whole-Time Director	6.21

**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 2021-2022:**

S. No.	Name(s) of KMP	Designation	Percentage Increase
1.	Shyam Lal Yadav	CFO & V.P.	10.28%
2.	Mamta Bisht	Company Secretary	4.81%

**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 2.10% approx. during the Financial Year
ii)	Number of permanent employees on the rolls of company:	450
iii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year:	4.86% 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:	There was average percentile increase of 3.59% approx. in the salary of other employees
v)	Affirmation:	The Board affirms that the remuneration paid is as per the remuneration policy of the Company.



**4. Details of Employees drawing Remuneration in excess of salary drawn by the managing director or whole-time director**



Name of Employee	Designation	Remuneration drawn on Yearly basis (in Rs.)	nature of employment	qualifications and experience	Date of Joining	age (in Years)	last employment held	the percentage of equity shares held
SHYAM LAL YADAV	CFO & V.P.	46,32,000	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	59	Green Carriers & Contractors Private Limited	0.008
RAVI GUPTA*	Senior General Manager	22,20,000	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	56	G.I.R. Movers Private Limited	NIL
VINOD NAIR	Deputy General Manager	16,80,000	Permanent	B.A Honor's in Economics from DU and M.B.A, L.L.B. He has completed 26 years with the organization. He is handling all the legal compliances along with HR.	01/11/1995	56	D.P.S India Ltd (a Peerless Group Company), Abacus Computers Ltd, and Global Tele	0.002



							Systems (GTL)	
DHARMENDRA KUMAR SINGH	Assistant General Manager	13,89,000	Permanent	Bachelor of Arts from Bihar University. He has vast experience of almost 19 yrs in marketing and operations.	14/01/2008	54	V. Trans Private Limited	0.00

- Resigned w.e.f 31.07.2022

#### 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 and he leads the company in all sectors vide operation, marketing and finance. He applied his expertise to the various Consignments relating to transport, logistics and contributed directly to the project's success.	10/10/1994	60	-	NIL



SHYAM LAL YADAV	CFO& V.P.	46,32,000	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	59	Green Carriers & Contractors Private Limited	0.008
RAVI GUPTA*	Senior General Manager	22,20,000	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	56	G.I.R. Movers Private Limited	NIL
VINOD NAIR	Deputy General Manager	16,80,000	Permanent	B.A Honor's in Economics from DU and M.B.A, L.L.B. He has completed 26 years with the organization. He is handling all the legal compliances along with HR.	01/11/1995	56	D.P.S India Ltd (a Peerless Group Company), Abacus Computers Ltd, and Global Tele Systems (GTL)	0.002
DHARMENDRA KUMAR SINGH	Assistant General Manager	13,89,000	Permanent	Bachelor of Arts from Bihar University. He has vast experience	14/01/2008	54	V. Trans Private Limited	0.00





				of almost 19 yrs in marketing and operations.				
UTKARSH JAIN	Whole Time Director	12,00,000	Permanent	BSc (hons) in Management Studies, from the University of Nottingham, UK; IBS Hyderabad	16/12/2013	28	-	7.57
SURYA NATH SINGH	Senior Manager - Accounts	11,31,300	Permanent	Bachelor in Commerce and Cost & Works Accountant. He has been working with the company from almost 24 yrs. In field of Finance & Accounts.	20/12/1996	54	-	NIL
ABHIJIT SEN	Area Project Manager	11,04,000	Permanent	Bachelor in Commerce(Hons.) from Calcutta University. He has vast experience of almost 28 yrs in marketing.	01/03/2021	53	Maa Annapurna Transport agency Pvt ltd	NIL
ANIL KUMAR MISHRA	Senior Project Manager	9,06,000	Permanent	Bachelor in Arts (Hons.) from Tilka Manjhi Bhagalpur University, Bihar. He has vast experience of almost 30 yrs in Sales & Operations.	01/03/2021	45	Mata Ltd,	NIL
SHAMBHU KUMAR	Manager IT	8,59,800	Permanent	Bachelors of Art Degree from Magadh	08/04/2019	41	GIR Logistics	NIL



				University. He has experience of more than 16 yrs. in Information Technology Sector.			Private Limited	
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- Resigned w.e.f 31.07.2022

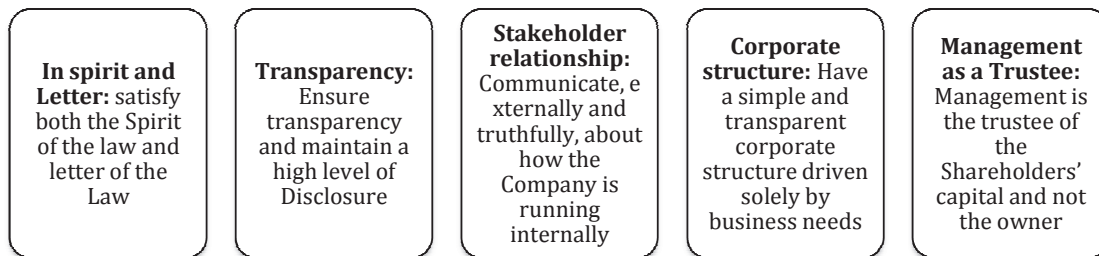
## **REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. The Board of Directors is responsible for and committed to sound principles of Corporate Governance in the Company. We, North Eastern Carrying Corporation Limited, meet the requirement on Corporate Governance under Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also follows the Secretarial Standards issued by Institute of Company Secretaries of India (ICSI).

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The driving forces of Corporate Governance at North Eastern Carrying Corporation Limited are its core values-belief in people, entrepreneurship, customer orientation and the pursuit of excellence.

#### **NECC Corporate Governance Framework**



The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees and Directors. The Company's Corporate Governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading and the Code of Fair Disclosure. The Company has in place Whistle Blower Policy which ensures corruption free work environment.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

### **2. BOARD OF DIRECTORS**

The Board of Directors provides leadership and guidance, objective judgment and at the same time monitors the strategic direction of the Company. The Company is headed by an Executive Chairman. The Directors of NECC has the requisite qualification, expertise and experience that allow them to efficiently manage the business of the Company and make effective contribution to the Board and its Committees. Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in listing regulations and are independent of the management.

#### **A. Composition of the Board**

The key to good Corporate Governance is the optimum combination of the executive and non-executive Directors on the Board. As on March 31, 2022, the Board at NECC comprised of 6 Directors, out of which 2 were Executive Directors and the other three comprising of half of the Total Board are Independent Directors. One Director is Non-executive Non Independent Women Director. All the three Non-Executive Directors are Independent Directors free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013 and the Listing Regulations.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees

across all the public companies in which he or she is a Director. Further, none of the Independent Directors on the Board is serving as an Independent Director in more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as at the year-end have been made by the Directors. The Board periodically reviews the compliance reports of all laws applicable to the Company.

**The relevant details of the Board of Directors and their directorships as on 31<sup>st</sup> March, 2022 are given here under:**

Sl No.	Name & Category of Director	No. of other Directorships as on March 31, 2022	No. of Committee positions held in other companies*		Directorships held in other Listed Entities and category of Directorship
			Chairman	Member	
1	Mr. Sunil Kumar Jain (Chairman & Managing Director and Promoter)	10	-	-	-
2.	Mr. Utkarsh Jain (Whole Time Director & Promoter)	11	-	-	-
3.	Mr Manoj Kumar Jain (Independent Director)	4	2	4	1. MPS Infotecnics Limited (Independent Director) 2. Advik Laboratories Limited (Independent Director)
4.	Mr. Mohak Jain (Independent Director)	5	3	-	-
5.	Mr. Utsav Jain (Independent Director)	1	-	-	-
6.	Mrs. Reena Gupta (Non- Executive Director)	1	1	-	1. AAR Shyam India Investment Company Limited (Independent Director)

\*In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

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

### **i. Details of Board Meetings held during the financial year 2021-22**

The Company follows a methodized process of decision-making by the Board and its Committees. The meeting dates are usually finalized in accordance with a pre-determined meeting calendar for the year and consultation with all Directors. All Agenda and explanatory notes (*except for price sensitive information, which are circulated separately before the meeting*) are normally sent to the Directors well in advance for the Meetings of the Board and Committees thereof. The Chairman & Managing Director of the Company decides inclusion of any matter in the agenda for discussion in the meeting of the Board/Committees thereof. The Meetings of the Board of Directors are normally held at Registered Office of the Company at Delhi, during office hours. The Company is also complying with the Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Meetings of Board and Shareholders.

During the financial year 2021-22, all the requisite information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. During the financial year 2021-22, the Board of Directors met 10 (ten) times on the following dates

<b>FY 2021-22 Q1</b>	<b>FY 2021-22 Q2</b>	<b>FY 2021-22 Q3</b>	<b>FY 2021-22 Q4</b>
31.05.2021	11.08.2021	19.10.2021	21.01.2022

30.06.2021	04.09.2021	12.11.2021	14.02.2022
		06.12.2021	17.03.2022

ii. **Details of Directors' attendance (physical presence or through video conferencing) at Board Meetings and AGM held during the financial year 2021-22.**

Sl No	Name of Director	Present at the 36 <sup>th</sup> AGM held on 29.09.21	Presence at Board Meeting										Held during tenure	Attended	% of attendance	
			31.05.2021	30.06.2021	11.08.2021	04.09.2021	19.10.2021	12.11.2021	06.12.2021	21.12.2021	14.02.2022	17.03.2022				
1.	Mr. Sunil Kumar Jain (Chairman & Managing Director)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	10	100
2.	Mr. Utkarsh Jain (Whole Time Director)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	10	9	90
3.	Mr. Manoj Kumar Jain (Independent Director)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	10	9	90
4.	Mr. Mohak Jain (Independent Director)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	10	100
5.	Mr. Utsav Jain (Independent Director)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	10	100
6.	Mrs. Reena Gupta (Non-Executive Director)	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10	10	100

iii. **Retirement by rotation at the ensuing 37<sup>th</sup> AGM**

In accordance with the provisions of the Companies Act, 2013 and Article 102 of the Articles of Association of the Company, Mr. Utkarsh Jain, Whole time Director, shall retire by rotation at the ensuing 37<sup>th</sup> Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

iv. **Inter-se relationship between Directors**

There is no inter-se relationship between the Directors as on March 31, 2022 except between Mr. Sunil Kumar Jain, Chairman & Managing Director and Mr. Utkarsh Jain, Whole time Director. None of the Non-Executive Director of the Company holds any shares in the Company.

- v. A separate meeting of Independent Directors of the Company was held on February 14, 2022, in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, which was attended by all the Independent Directors of NECC.

vi. Key Board skills, expertise, competencies and attributes:

The NECC Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees.

As per amended SEBI Listing Regulations, the Board has identified the following key skills, expertise, competencies and attributes to enable it to function effectively:



<b>Parameters of Directors' qualifications</b>	
Financial Management	Planning, organizing, directing and controlling the financial activities which include mobilization and utilization of funds, financial accounting and management control systems, tax planning etc.
Logistics & Transportation sector	A significant background in technology and in-depth insight into the various elements of transportation services to customers.
Risk Management	Forecasting and evaluation of operational risk, credit risk, market risk, interest rate, liquidity, Identifying any potential threats that may occur during the investment/ financing process and mitigation of the same
Leadership	Extended leadership experience for establishing a clear vision and taking actions for achieving the organizational goals.
Board practices and governance	Service on a public listed company, the company Board to develop insights about maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.
Corporate Planning & Strategy	Management activities that are used to set priorities, focus energy and resources, strengthen operations, and ensure that employees and other stakeholders are working towards common goals by establishing agreement on intended outcomes/results and assess & adjust the organization's direction in response to a changing environment.

In the table below, the specific areas of focus or expertise of individual Board member (as on March 31, 2022) have been marked. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skill or expertise:

Name of Director	Key qualifications of the Board						
	Area of expertise						
	Financial Management	Logistics & Transportation sector	Risk Management	Management skills	Leadership	Board practices and governance	Corporate Planning & Strategy
Mr. Sunil Kumar Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Utkarsh Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Manoj Kumar Jain	✓	✓		✓	✓	✓	✓
Mr. Mohak Jain	✓	✓	✓	✓		✓	✓
Mr. Utsav Jain	✓	✓		✓	✓	✓	✓
Mrs. Reena Gupta	✓		✓	✓	✓	✓	✓

### **3. COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors of NECC functions either as full Board, or through various Committees constituted to oversee specific areas of business operations and Corporate Governance. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals, focus on their assigned areas and make informed decisions within the authority delegated to them.

As on March 31, 2022, the Board had the following committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

The Risk Management Committee of the Company was dissolved w.e.f September 4, 2021.

The Minutes of Meetings of all Committees are placed before the Board, for information and noting in term of Articles of Association of the Company, Secretarial Standards on Board Meetings and other applicable statutory requirements.

### **3.1 AUDIT COMMITTEE**

The Company has an Audit Committee in place, constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations. The Audit Committee carries out the role as per its terms of reference and reviews the information prescribed under the applicable statutory provisions.

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

- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible review and monitor of auditor's independence and performance, and effectiveness of audit process;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- approval of payment to statutory auditors for any other services rendered by the statutory auditors
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
  - changes, if any, in accounting policies and practices and reasons for the same
  - major accounting entries involving estimates based on the exercise of judgment by management
  - significant adjustments made in the financial statements arising out of audit findings
  - compliance with listing and other legal requirements relating to financial statements
  - disclosure of any related party transactions
  - modified opinion(s) in the draft audit report
- reviewing, with the management, the quarterly financial statements before submission to the board for approval
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process etc.
- Carry out any other function as directed by the Board and/or mandated by any statutory authority through any notification, amendment or modification from time to time

#### **ii. As on March 31, 2022, the composition of the Audit Committee was as under:**

S. No.	Name of the Members	Position in the Committee	Number of meetings		
			Held during tenure of Director	Attended	Percentage of attendance
1.	Mr. Manoj Kumar Jain	Chairman	7	7	100
2.	Mr. Mohak Jain	Member	7	7	100
3.	Mr. Utsav Jain	Member	7	7	100

The quorum for Audit Committee meeting shall either be two members or one third of the members of the Audit Committee, whichever is greater, with at least two Independent Directors present for the meeting. Further, Chief Financial Officer, Internal Auditor and representatives of Statutory Auditors are invited for the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee, Mr. Manoj Kumar Jain, possesses accounting and financial management expertise; and all other members of the Audit Committee are financially literate. Further, the Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 29, 2021, to answer shareholders' queries

**iii. Meeting Details:**

During the financial year 2021-22, Seven (7) meetings of the Audit Committee were held on (i) May 31, 2021; (ii) June 30, 2021; (iii) August 11, 2021; (iv) September 04, 2021;(v) October 19, 2021; (vi) , November 12, 2021;and (vii) February 14, 2022 .

**3.2 NOMINATION AND REMUNERATION COMMITTEE.**

The Company has constituted a Nomination & Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations.

**(i) The terms of reference of Nomination and Remuneration Committee are as under:**

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

- 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;
- Assist the Board in ensuring that plans are in place for orderly succession for appointment to the Board & Senior Management.
- formulation of the criteria for determining qualifications, positive attributes and independence of a director & KMPs.
- formulation of criteria for evaluation of performance of independent directors and the board of directors etc.
- Formulation & supervision of the Remuneration Policy of the Company
- Carry out any other function as directed by the Board and/or mandated by any statutory authority through any notification, amendment or modification from time to time

**(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://neccgroupp.com/wp-content/uploads/2015/02/Nomination-Remuneration-Policy.pdf>

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

As on March 31, 2022, the composition of the Nomination and Remuneration Committee was as under:

S. No.	Name of the Members	Category & Position in the Committee	Number of meetings	
			Held during tenure of Director	Attended
1.	Mr. Manoj Kumar Jain	Chairman , Non-Executive Independent	1	1
2.	Mr. Mohak Jain	Member , Non-Executive Independent	1	1
3.	Mr. Utsav Jain	Member , Non-Executive Independent	1	1

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 29, 2021. As of March 31, 2022, the Committee consisted of three members; all the members are Independent Directors. The composition of the Committee is in compliance with the applicable laws. The Company Secretary of the Company is the Secretary of the Committee.

**(iv) Meeting Details:**

The Members of Nomination and Remuneration Committee met 1 time on September 04, 2021

**(v) Remuneration of Directors**

The Executive Directors are remunerated by way of salary, based upon the criteria laid down by the Nomination and Remuneration Committee. The Executive Directors are appointed for a period of 5 year wherein their remuneration limits are also defined within which the Board of Directors/ Nomination and Remuneration Committee has the power to decide the remuneration for each year. 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 2021-22, no Remuneration, commission is paid to Independent Directors. The Non Executive Director, Mrs. Reena Gupta was paid sitting fees of Rs.1,00,000/- p.a (Rupees One lakh only) for attending the Board Meetings and Committee meetings in accordance with the provisions of Companies Act, 2013. None of the Non-Executive Directors & Independent Directors have any material pecuniary relationship or transaction with the Company.

None of the Directors has been issued any stock options by the Company during the year or any time in the past. Further, none of the Directors of the Company are in receipt of any Commission from the Company.

**(vi) Performance Evaluation Criteria of Independent Directors**

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee and is based upon contribution and involvement of a director, commitment, integrity and maintenance of confidentiality and independence of conduct and judgment.

**3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Company has a Stakeholders' Relationship Committee in term of the provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the SEBI (LODR) Regulations, 2015. The Committee is responsible for resolving investor's complaints pertaining to share transfers, non-receipt of annual reports, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

**i. Terms of Reference**

The terms of reference of the Committee, inter-alia includes:

1. Oversee and review all matters connected with the transfer of the Company's securities.
2. Approve issue of the Company's duplicate share certificates and new certificates on split/consolidation/renewal etc. and approves transfer/transmission, dematerialization and rematerialization of equity shares in a timely manner.
3. Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report etc.
4. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.

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

Mr. Manoj Kumar Jain is the Chairman of the Stakeholders' Relationship Committee. The composition of the Committee is in compliance with the applicable laws. The Company Secretary of the Company is the Secretary of the Committee and also the Compliance officer of the Company.

S. No.	Name of the Committee Members	Category & Position in the Committee	Number of meetings	
			Held during tenure of Director	Attended
1.	Mr. Manoj Kumar Jain	Chairman & Independent Director	2	2
2.	Mr. Mohak Jain	Member & Independent Director	2	2
3.	Mr. Utsav Jain	Member & Independent Director	2	2

Mr. Manoj Kumar Jain, Chairman of the Stakeholders' Relationship Committee was present at the Annual General Meeting held on September 29, 2021.

## **iii. Meeting Details:**

The Members of Stakeholders' Relationship Committee met 2 times on August 11, 2021 and February 14, 2022 to review the status of pendency of Shareholders/investors grievances.

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

Securities and Exchange Board of India (SEBI) has a web-based complaints redressal system namely SCORES (SEBI Complaints Redressal System), through which investors can lodge a complaint against a company for their grievances. The status of every complaint can be viewed online and if required, the investor can send reminder for the complaints. Also, through this system, the investors are able to check the status of the complaints e.g. with whom the complaint is pending, upon whom the responsibility has been fixed and for how much time the complaint is pending. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaint in physical form.

The Company has been attending to all investor grievances expeditiously and promptly. Status of Shareholders/ Investors Grievances pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the financial year 2021-22, is as follows:

Particulars	Number of Complaints
Pending at the beginning of the financial year	Nil
Received during the financial year	Nil
Disposed during the financial year	Nil
Remaining unresolved as on March 31, 2022	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 recommend/review CSR projects/programmes/proposals, falling within the purview of Schedule VII of the Companies Act, 2013;
5. to institute a transparent monitoring mechanism for implementation of the CSR projects / programmes / activities undertaken by the Company;

6. to periodically submit the reports to the Board of Directors for their information, consideration and necessary directions etc.
7. 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**

During the financial year 2021-22, the “Corporate Social Responsibility Committee” comprised of the following Members:

S. No.	Name of Member	Category & Position in the Committee	Number of meetings	
			Held during tenure of Director	Attended
1.	Mr. Sunil Kumar Jain	Chairman & Executive Director	2	2
2.	Mrs. Reena Gupta	Member & Non-Executive Director	2	2
3.	Mr. Utsav Jain	Member & Independent Director	2	2
4.	Mr. Shyam Lal Yadav	Executive Member	2	2
5.	Mr. Vinod Nair	Executive Member	2	2

Mr. Sunil Kumar Jain is the Chairman of the Committee and the Company Secretary of the Company acts as the Secretary of the Committee. The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section of this Annual Report.

**iii. Meeting Details:**

Since the criterions set out in Section 135 of the Companies Act, 2013 is not applicable to your Company for the FY 2021-2022 hence no CSR meeting was held during the year.

**3.5 RISK MANAGEMENT COMMITTEE**

Pursuant to the provisions of Regulation 21(5) of the SEBI Listing Regulations mandates top 1000 listed entities, determined on the basis of market capitalization to constitute a Risk Management Committee. Although non-mandatory, the Company has constituted the Risk Management Committee of the Board, however it was dissolved w.e.f September 04, 2021.

**i. Terms of Reference**

The terms of reference of the Risk Management Committee to the extent applicable to NECC are as follows:

1. Defines overall risk appetite and defines the risk management culture.
2. Boards of Directors are responsible for overall implementation of risk management strategy in the whole organization.
3. Agree on assignment of risk responses to risk owners..
4. Assumes overall responsibility for the agency’s system of internal control.
5. Reviews performance, progress, and compliance with risk management process.
6. Any other matter as the Risk Management Committee may deem appropriate after approval of the Board of Directors or as may be directed by Board of Directors of the Company

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

During the financial year 2021-22, the “Risk Management Committee” comprised of the following Members:

S. No.	Name of Member	Category & Position in the Committee	Number of meetings	
			Held during tenure of Director	Attended
1.	Mrs. Reena Gupta	Member & Non-Executive Director	2	2
2.	Mr. Utsav Jain	Member & Independent Director	2	2
3	Mr. Mohak Jain	Member & Independent Director	2	2
4.	Mr. Shyam Lal Yadav	Executive Member	2	2

**iii. Meeting Details:**

The Members of Risk Management Committee met 2 times on (i) May 31, 2021; and (ii) September 04, 2021.



#### 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
2020-21	September 29, 2021	12:30 P.M.	Through Video Conferencing /Other Audio Visual Means (VC/OAVM)	1. To consider & approve re-appointment of Mr. Sunil Kumar Jain (DIN: 00010695) as Managing Director of the Company for five consecutive years. 2. To consider & approve re-appointment of Mr. Utkarsh Jain (DIN: 05271884) as Whole Time Director of the Company. 3. To Consider & approve adoption of new set of Memorandum of Association as per Companies Act, 2013. 4. To Consider & approve adoption of new set of Article of Association as per Companies Act, 2013.
2019-20	September 29, 2020	11.00 A.M.	Through Video Conferencing /Other Audio Visual Means (VC/OAVM)	No Special Resolution was passed.
2018-19	September 30, 2019	10.00 A.M.	B-2, Aadarsh Sadan, Ashok Vihar, Phase-II, Delhi-110052	No Special Resolution was passed.

During the financial year 2021-22, no postal ballot process was conducted and no special resolution was passed through postal ballot.

Pursuant to the Circular 5th May, 2022 read with Circular dated 5th May, 2020, issued by the Ministry of Corporate Affairs ("MCA Circulars") & Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (referred to as "SEBI Circular"), the 37<sup>th</sup> Annual General Meeting of NECC Ltd. is being held through Video Conferencing/Other Audio Visual Means. The Company will provide facility to shareholders to attend the said AGM electronically and also enable shareholders to exercise their right to vote through electronic means at the said AGM. Details regarding participation in the said AGM and other relevant information is appearing in the Notice of the 37<sup>th</sup> AGM of the Company.

#### 5. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report and other documents through electronic means to its members at their registered email addresses, besides sending the same in physical form.

In line with the MCA Circulars referred above, the Notice of the 37<sup>th</sup> AGM along with Annual Report for the financial year 2021-22 would be sent by e-mail to all members, whose e-mail IDs are registered with the Company.

The Company had published advertisements in newspapers, to encourage shareholders holding shares in physical and electronic form to register/update their email IDs for receiving the Annual Report for the financial year 2021-22. Further, the Company had also sent SMSes to the shareholders whose Mobile Numbers were registered with the concerned Depository, for updation of e-mail IDs. Despite the above efforts, those shareholders who have still not been able to update their e-mail IDs, may follow the process mentioned in the Notice of the 37<sup>th</sup> AGM, for registration of e-mail ID and procuring User ID & Password for e-voting at the ensuing AGM of the Company.

## 6. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year and none of the transaction was in conflict with the interest of the Company. The transactions with related parties are included in the Notes to Accounts as per applicable provisions of Companies Act, 2013. The particulars of Related Party Transactions are given in form AOC-2 annexed to the Board's Report. The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web-link is given below:

<http://neccgroupp.com/wp-content/uploads/2016/03/Policy-on-Related-Party-Transaction-NECC.pdf>

## 7. DISCLOSURES

- (i) The Company has complied with all the requirements of Listing Regulations, the Companies Act, 2013, applicable Secretarial Standards and other statutory authorities on all matters relating to the capital market during the past, including the preceding three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.
- (ii) As required under statutory provisions, all returns /reports were filed within stipulated time with stock exchanges/ other authorities.
- (iii) The Company has complied with the requirements of Regulation 17 to 27 of Listing Regulations, as amended from time to time, relating to Board, Committees and Corporate Governance as amended from time to time and maintaining & updating the Website of the Company as required under Regulation 46 of Listing Regulations. The Company has also complied with the disclosure requirements under Corporate Governance Report as per Part C of Schedule V of the Listing Regulations.

Further, in compliance of Regulation 46 of Listing Regulations, the Company has *inter-alia* disclosed the information relating to details of business of the Company, terms and conditions of appointment of Independent Directors, composition of various committees of Board of Directors, Code of Business Conduct and Ethics for Board Members and Senior Management on NECC's website at [www.neccgroupp.com](http://www.neccgroupp.com).

Details of establishment of Vigil Mechanism/ Whistle Blower policy, Policy on dealing with Related Party transactions, details of familiarization programme imparted to Independent Directors and Policy for determination of materiality of events for disclosure to the stock exchanges, etc. are also available on NECC's website at [www.neccgroupp.com](http://www.neccgroupp.com). The Company affirms that a Whistle Blower Policy/ Vigil Mechanism is in place and no person has been denied access to the Competent Authority.

- (iv) The Company has laid down the procedure to inform the Board about the risk assessment and minimization. The Board of Directors of the Company reviews the procedures to ensure that the integrated risks are managed through a properly defined framework.
- (v) The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/or Partners.
- (vi) All members of Senior Management have made disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (e.g. dealing in Company shares, commercial dealings with bodies which have shareholding of management and their relatives etc.) and there was no such instance of conflict for financial year 2021-22.
- (vii) There were no materially significant transactions with related parties i.e. Promoters, Directors or the management, conflicting with the Company's interest. The Independent Directors do not hold any equity shares of the Company..
- (viii) The Balance Sheet, Statement of Profit & Loss, Statement of changes in equity and Cash Flow Statement for the financial year 2021-22 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended, and other accounting principles generally accepted in India.

- (ix) The disclosures in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's report.
- (x) The Company has adopted all mandatory items and some of the non-mandatory items on Corporate Governance. The status of non-mandatory requirements pertaining to Corporate Governance section of Listing Regulations is as follows:
- **The Board:** The Company is headed by an Executive Chairman.
  - **Shareholder Rights:** The Company is making available to the shareholders / investors all information timely, to enable them to be sufficiently informed of the major decisions of the Company.
  - **Audit Qualifications:** There are audit qualifications pertaining to financial year 2021-22.
  - **Separate posts of Chairman and CEO** - There is no separate post of Chairman and CEO. The role of CEO is being performed by Chairman and Managing Director of the Company.
  - **Reporting of Internal Auditor-** The internal auditor of the Company is invited to the Meetings of the Audit Committee and directly report all their observations to the Audit Committee.
- (xi) There are audit qualifications by the Statutory Auditors in their report pertaining to financial year 2021-22 which are as follows:
1. The Company has not provided provision for doubtful debts.
  2. The Company has not recognized right to use assets of leased property.
  3. The Debit & credit balances are subject to confirmation.
- Further, the Company has informed the Stock Exchanges that the Statutory Auditors have furnished Audit Report on Standalone Financial Results with modified opinion, in line with the provisions of SEBI (LODR) Regulations.
- (xii) The Company has not issued any Stock Options/ESOPs during the financial year 2021-22.

## 8. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

NECC has a "Code of Conduct for Board Members and Senior Management", which is a comprehensive code applicable to all the Directors, Key Managerial and Senior Management Personnel of the Company. The said Code was duly amended after the introduction of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, in supersession of the earlier Code of Conduct.

A copy of the Code of Conduct is available on the website of the Company at <http://neccgroup.com/wp-content/uploads/2016/08/Code-of-Conduct.pdf>. Based on the affirmation received from the Board Members and Senior Management Personnel, a declaration regarding Compliance of Code of Conduct from Chairman and Managing Director of the Company is as under:

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

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, All Board Members and Senior Management have affirmed compliance with the "Code of Conduct for Board Members and Senior Management of the Company for the financial year ended March 31, 2022.

**Place: Delhi**  
**Date: 07.09.2022**

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

## 9. WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy in place, in terms of Companies Act, 2013 read with rules made there under and Listing Regulations. The Whistle Blower Policy enables Directors/ Employees of NECC to raise concerns regarding any alleged malpractice or wrong doing, which could affect the business or reputation of the Company. The complaint can be made to the Competent Authority in the manner prescribed under the Policy. The Whistle Blower Policy is available on the website of the Company.

A declaration by the Chairman & Managing Director of the Company, that no person has been denied access to the Competent Authority under the Whistle Blower Policy during the financial year 2021-22 and necessary system has been put in place to provide protection to the complainant, wherever required, is as under:

<b>ANNUAL AFFIRMATION IN TERMS OF WHISTLE BLOWER POLICY OF THE COMPANY</b>	
During the financial year 2021-22, no person has been denied access to the Competent Authority and necessary system has been put in place, to provide protection to the complainant, wherever required.	
<b>Place: Delhi</b>	
<b>Date: 07.09.2022</b>	
	<b>Sd/- (Sunil Kumar Jain) Chairman &amp; Managing Director DIN: 00010695</b>

## **10. MEANS OF COMMUNICATION**

### **(i) Financial Results**

The Company's Quarterly/Half-Yearly/Annual Results are intimated to stock exchanges and published within 48 hours of the conclusion of the meeting of the Board in which they are considered in financial and national newspapers like Financial Express (English) and Jansatta (Hindi). These results and all other announcements are also made available on Company's website at [www.neccgroupp.com](http://www.neccgroupp.com).

### **(ii) Website**

The 'Investors Relation' section on the website of the Company contains all the relevant information pertinent to the shareholders i.e. financial results, annual reports, shareholding patterns, official news releases, Notices and other general information about the Company.

## **11. CEO/CFO CERTIFICATE**

The certificate as required pursuant to Regulation 17(8) of the Listing Regulations is furnished by the Managing Director and the Chief Financial Officer of the Company to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls.

## **12. GENERAL SHAREHOLDER INFORMATION.**

### **1. Annual General Meeting for the financial year 2021-22**

Pursuant to the Circular(s) issued by the Ministry of Corporate Affairs and SEBI, the Annual General Meeting of the Shareholders will be held this year through electronic mode on the following day, date & time:-

<b>Day and Date</b>	<b>Time</b>	<b>Venue</b>
Friday, September 30, 2022	12.00 Noon.	The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated 5th May, 2022 read with Circular dated 5th May, 2020 & 5th May, 2022 & Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (referred to as "SEBI Circular"), and thus venue requirements are not applicable for this AGM. For details please refer to the Notice of this AGM

### **2. Financial Calendar**

The financial year of the Company starts from the 1<sup>st</sup> day of April and ends on 31<sup>st</sup> day of March of next year.

<b>Particulars</b>	<b>Financial Year 2021-22</b>	<b>Financial Year 2022-23</b>
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<b>Accounting Period</b>	April 1, 2021 to March 31, 2022		April 1, 2022 to March 31, 2023	
	1st Quarter	August 11, 2021	1st Quarter	Announcement within 45 days from the end of quarter or as prescribed under statutory provisions.
	2nd Quarter	November 12, 2021	2nd Quarter	
	3rd Quarter	February 14, 2022	3rd Quarter	
	4th Quarter & Annual Financial Results	May 30, 2022	4th Quarter & Annual Financial Results	Announcement within 60 days from the end of the financial year or as prescribed under statutory provisions
<b>Annual General Meeting</b>	September 30, 2022		August/September, 2023	

### 3. **Book Closure Date**

The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive)** for the purpose of the 37<sup>th</sup> Annual General Meeting.

### 4. **Listing of Equity Shares**

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

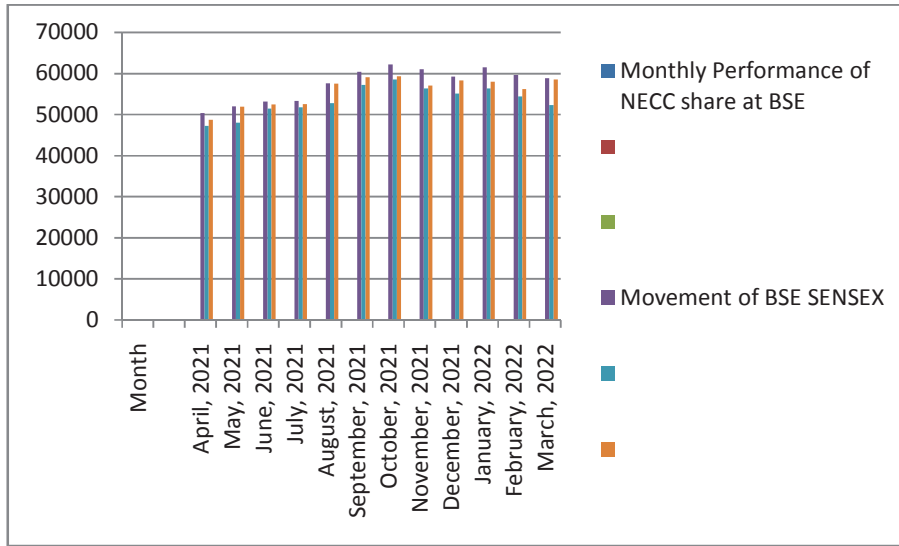
Name & Address of the Stock Exchanges	Scip Code	Address	ISIN Number For NSDL /CDSL (Dematerialized Shares)
<b>National Stock Exchange of India Limited(NSE)</b>	NECC LTD	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E ), Mumbai - 400051	INE553C01016
<b>BSE Limited</b>	534615	Phirozejeejeebhoy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

### 5. **Market price data for the financial year 2021-22**

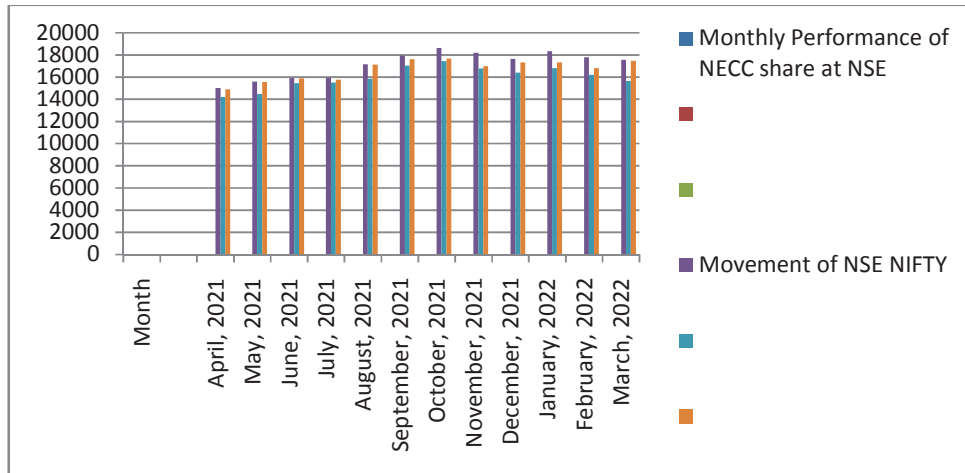
Market Price data- the monthly high and low prices of the Company's shares at BSE and NSE for the financial year 2021-22 are as follows:

Month	Monthly Performance of NECC share at BSE			Movement of BSE SENSEX		
	High (in Rs)	Low (in Rs)	Close (in Rs)	High (in Rs)	Low (in Rs)	Close (in Rs)
April, 2021	9.2	7	8.35	50375.77	47204.5	48782.36
May, 2021	12.72	8.03	10.24	52013.22	48028.07	51937.44
June, 2021	18.67	9.97	15.91	53126.73	51450.58	52482.71
July, 2021	19.6	14.1	19.05	53290.81	51802.73	52586.84
August, 2021	20	16.35	19.2	57625.26	52804.08	57552.39
September, 2021	22	18.15	18.6	60412.32	57263.9	59126.36
October, 2021	22	18.35	18.8	62245.43	58551.14	59306.93
November, 2021	20.8	17.65	19.75	61036.56	56382.93	57064.87

December, 2021	24	17.1	19.1	59203.37	55132.68	58253.82
January, 2022	29.4	18	22.9	61475.15	56409.63	58014.17
February, 2022	27.45	17	19.05	59618.51	54383.2	56247.28
March, 2022	38	18.25	32.25	58890.92	52260.82	58568.51



Month	Monthly Performance of NECC share at NSE			Movement of NSE NIFTY		
	High (in Rs)	Low (in Rs)	Close (in Rs)	High (in Rs)	Low (in Rs)	Close (in Rs)
April, 2021	9.15	6.55	8.35	15044.35	14207.3	14894.9
May, 2021	12.80	7.60	10.30	15606.35	14461.5	15582.8
June, 2021	18.95	10.05	15.85	15901.6	15450.9	15869.25
July, 2021	19.55	14.00	19.10	15962.25	15513.45	15763.05
August, 2021	20.05	16.15	19.20	17153.5	15834.65	17132.2
September, 2021	21.80	18.05	18.45	17947.65	17055.05	17618.15
October, 2021	21.90	18.25	18.75	18604.45	17452.9	17671.65
November, 2021	20.70	18.05	19.90	18210.15	16782.4	16983.2
December, 2021	23.95	16.00	19.00	17639.5	16410.2	17354.05
January, 2022	29.60	17.60	22.90	18350.95	16836.8	17339.85
February, 2022	26.50	16.90	19.10	17794.6	16203.25	16793.9
March, 2022	37.95	18.45	32.50	17559.8	15671.45	17464.75





## 6. Share Transfer System

The Board of Directors of the Company delegated the authority to approve the transfer of shares, transmission of shares, issue of duplicate shares, split, consolidation and renewal of share certificates to the Stakeholders' Relationship Committee of the Board of Directors.

All the Documents received from shareholders are scrutinized by the RTA, MAS Services Limited. The Share lodged for transfer, etc are processed and share certificates duly endorsed are returned within stipulated time, subject to documents being valid and complete in all aspects. A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

Further, pursuant to Regulation 40(9) & (10) of Listing Regulations, a Certificate from Practicing Company Secretary on half yearly basis confirming due compliance of share transfer formalities by the Company has been submitted to Stock Exchanges within stipulated time. Further, it is also confirmed that all transfer of shares were completed within the prescribed time period.

SEBI through its Press Release dated December 3, 2018 has prescribed that with effect from April 1, 2019; requests for effecting transfer of securities (except transmission or transposition cases) shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, we request you to convert your shareholdings from physical form to Demat form at the earliest, in existing demat account or new demat account to be opened with any Depository Participant.

## 7. Reconciliation of Share Capital Audit Report

A qualified practicing Company Secretary, M/s Ashish Kumar Friends & Co., Delhi carries out quarterly audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital and the same was submitted to the Stock Exchanges within the stipulated time.

## 8. Distribution of Shareholding

### DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

Shareholding of Nominal Value (in Rs.)	Number of shareholders	% to Total shareholders	Total Shares	Amount (in Rs.)	% of shares
1-5000	14798	74.208	1643340	16433400	3.273
5001 - 10000	3069	15.390	2199487	21994870	4.381
10001 - 20000	998	5.004	1572709	15727090	3.133
20001 - 30000	374	1.875	956782	9567820	1.906
30001 - 40000	168	0.842	611868	6118680	1.218
40001 - 50000	166	0.832	792928	7929280	1.579
50001 - 100000	202	1.012	1567919	15679190	3.123
100001 and above	166	0.832	40852303	408523030	81.383
<b>Total</b>	<b>19941</b>	<b>100.00</b>	<b>50197336</b>	<b>501973360</b>	<b>100.00</b>

### SHAREHOLDING PATTERN AS ON MARCH 31, 2022

S. No.	Category of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Promoter & Promoter Group*	5	26440111	52.67
2	Foreign Portfolio Investors	1	46954	0.09
3	Individual	19714	15807740	31.49
4	Non resident Indians	69	112277	0.22
5	Clearing Members	74	303129	0.60
6	Bodies Corporate	77	7485125	14.91
7	Trust	1	2000	0.00
	<b>Total</b>	<b>19941</b>	<b>50197336</b>	<b>100</b>

**\*Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group” as on March 31, 2022**

S. No.	Name of Promoter	Total Shares held	
		Number	Percentage (%)
1.	Vanya Jain	5019565	10.00
2.	Utkarsh Jain	3798114	7.57
3.	Sunil Kumar Jain	0	0
4.	NECC Securities Private Limited	7656880	15.25
5.	NECC Automobiles Private Limited	8334152	16.60
6.	Suvi Developers Private Limited	1631400	3.25

**9. Dematerialization of Shares and Liquidity**

As on 31<sup>st</sup> March, 2022, 5,00,58,196 Equity Shares representing 99.72% of the total Equity Share capital of the Company, were held in dematerialized form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd.(CDSL).

<p><b>National Securities Depository Limited</b> Trade World, 4th Floor, Kamala Mills Compound Senapathi Bapat Marg, Lower Parel, Mumbai-400 013 Tel: +91-22-2499 4200 Toll free Number: 1800 222 990 E-mail ID: relations@nsdl.co.in, info@nsdl.co.in Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a></p>	<p><b>Central Depository Services (India) Limited</b> Marathon Futurex, A-Wing, 25th Floor NM Joshi Marg, Lower Parel Mumbai-400013 Tel: +91-22-2305 8640/8624/8639/8642/8663 Toll free Number: 1800 22 5533 E-mail ID: helpdesk@cdslindia.com, complaints@cdslindia.com Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p>
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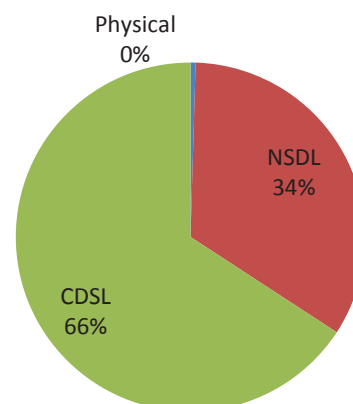
Further, Shareholders who continue to hold shares in Physical form are advised to dematerialize their shares at the earlier. As mandated by SEBI the requests for effecting transfer of listed securities shall not be processed unless the securities are held in the dematerialized form with a depository 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, 2022 was as under:

Category	Number of Shareholders	Number of Shares
Physical	95	139140
NSDL	6763	34799517
CDSL	13202	15258679
<b>Total</b>	<b>20060*</b>	<b>50197336</b>

*\*Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017, 119 holders are common in Demat& physical.*

### No of Shares



#### **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 2022-23 to National Stock Exchange of India Limited and BSE Limited in relation to its listed securities on stipulated time.

#### **12. Annual Custodial Fees to Depositories**

The Company has timely paid the annual custodian fee for financial year 2022-23 to NSDL and CDSL.

#### **13. Commodity Price Risk or Foreign Exchange Risk And Hedging Activities**

The Company does not hedge foreign exchange risk as the exposure is not material.

#### **14 Statutory Auditor Fees**

The total fees paid by the Company to statutory auditors for all the services during the financial year 2021-22 is Rs.4 Lakhs.

#### **15. 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 270+ Branch offices including Branch Offices etc.

#### **16. Address for Communication/Correspondence**

##### **North Eastern Carrying Corporation Limited**

NECC House, 9062/47, Ram Bagh Road, Azad Market, Delhi-110006

Ph: 011-23517516-19, Fax: 011-23527700

Email ID: [cs@neccgroup.com](mailto:cs@neccgroup.com)/[slyadav@neccgroup.com](mailto:slyadav@neccgroup.com)

Website: [www.neccgroup.com](http://www.neccgroup.com)

##### **Company Secretary & Compliance Officer**

Ms. Mamta Bisht

Company Secretary & Compliance Officer

NECC House, 9062/47, Ram Bagh Road, Azad Market, Delhi-110006,

Ph: 011-23517516-19, Fax: 011-23527700

Email ID: [cs@neccgroup.com](mailto:cs@neccgroup.com)

##### **Registrar and Share Transfer Agent**

MAS Services Limited

T-34, II<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

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

E-mail: [info@masserv.com](mailto:info@masserv.com), Website: [www.masserv.com](http://www.masserv.com)

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: September 07, 2022**

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
*[Pursuant to Regulation 34(3) and clause (i) of Point (10) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

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

I have examined the relevant registers, records, forms, returns maintained by the Company and the disclosures received from the Directors of NECC Limited bearing CIN: L51909DL1984PLC019485 and having its Registered Office at NECC House, 9062/47, Ram Bagh Road, Azad Market, Delhi-110006 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause (i) of Point (10) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications [including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below, for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of Director	Director Identification Number (DIN)
1	Mr. Sunil Kumar Jain	00010695
2	Mr. Utkarsh Jain	05271884
3	Mr. Manoj Kumar Jain	01887411
4	Mr. Mohak Jain	02525330
5	Mr. Utsav Jain	01609344
6	Mrs. Reena Gupta	06966728

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: New Delhi**  
**Date: September 07, 2022**

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

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

**COMPLIANCE CERTIFICATE BY CEO/CHIEF FINANCIAL OFFICER**

*(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

The Board of Directors

**North Eastern Carrying Corporation Limited**

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of North Eastern Carrying Corporation Limited ("the Company"), to the best of our knowledge and belief, certify that:

- i. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief, we state that:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. We further state that to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- iii. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- iv. We have indicated to the Auditors and the Audit Committee:
  - a) significant changes, if any, in internal control over financial reporting during the year;
  - b) significant changes, if any, in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) instances of significant fraud of which they have become aware and the involvement, therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Place: Delhi**  
**Date: September 07, 2022**

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

**Sd/-**  
**Shyam Lal Yadav**  
**(CFO & VP)**



## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined the compliance of conditions of Corporate Governance by the North Eastern Carrying Corporation Limited for the financial year ended on 31<sup>st</sup> March, 2022 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: New Delhi**  
**Date: September 07, 2022**

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

*(Pursuant to Regulation 34 read with the Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

The management of the Company is pleased to present its report on the business environment & industry scenario, industry risks, opportunities and the Company's financial & operational performance during the financial year 2021-22.

The year 2021-22 enabled the world to experience exactly the above. It was a year of innovation, recovery and renewal. Businesses of all sizes embraced digitalization and demonstrated full strength to build a culture of resilience and empathy. As a result of which, the global economy pounced back to the pre-pandemic path and most major economies were able to recover the nominal output lost during the pandemic.

Russia's invasion of Ukraine and its effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global growth. One key risk to the outlook is the possibility of high global inflation accompanied by tepid growth, reminiscent of the stagflation of the 1970s. This could eventually result in a sharp tightening of monetary policy in advanced economies, which could lead to financial stress in some emerging market and developing economies. A forceful and wide-ranging policy response is required to boost growth, bolster macroeconomic frameworks, reduce financial vulnerabilities, and support vulnerable groups.

### **BUSINESS ENVIRONMENT**

#### **➤ GLOBAL BUSINESS OVERVIEW**

Global economic prospects are clouded with heightened uncertainty and downside risks from geopolitical conflict, and the spillovers are reverberating across the world. The escalation of geopolitical risk, surge in crude oil prices and intensified volatility across global financial markets may smother the global recovery, which is at nascent stage. This is happening at a time when most countries are still reeling under the pandemic and elevated inflation

The global economy has been witnessing drastic ebbs and flows since the Covid-19 pandemic. The first half of 2021 saw mass vaccinations, early policy support, ease of restrictions, and the opening up of mobility across nations. Altogether, these factors aided nations in getting back on track. Initiatives to achieve maximum employment and ensure price stability pushed economies towards attaining robust growth and facilitated a robust bounce-back post the Covid-19 outbreak. The global economy registered a growth of 6.1% in 2021 against a contraction of 3.3% in 2020. The advanced and developing economies grew by 5.2% and 6.8%, respectively, in 2021. The US recorded a growth of 5.7% in 2021, the highest ever in the last four decades, while the UK expanded at the highest since World War II, recording a GDP of 7.5% in 2021. In the later part of the year 2021 and the beginning of 2022, this progress was marred by the second and third waves resulting in cascading effects on the economic output. All nations were faced with new hurdles in the form of soaring commodity prices and imbalances in demand-supply induced by the pandemic resulting in buildup of inflationary pressures. The bigger challenge was in the form of the Russia-Ukraine conflict, aggravated the challenges. Amidst this conflict the energy prices touched the roof with crude oil prices exceeding US\$ 100/barrel at one point in time.

The recovery of the global economy in the near future will largely depend on how the economies come together to contain the threat of the pandemic, ease out supply chains and restore peace treaties between Russia and Ukraine. With this backdrop, the global GDP is likely to reach 3.5% in 2022.

#### **➤ INDIAN BUSINESS ENVIRONMENT**

India's broad range of fiscal, monetary and health responses to Covid-19 crisis, supported its recovery and helped in mitigating a longer-lasting adverse impact of the pandemic.

As per Reserve Bank of India (RBI), Indian economy's real gross domestic product (GDP) bounced to 8.9% in FY 2021-22, i.e., 1.8% above its pre-pandemic (2019-20) level. Economic activity, which gained strength in Q2 FY 2021-22 (July-September) with the ebbing of the second wave, has lost pace since Q3 (October-December), aggravated by the spread of Omicron variant in Q4 (January-March). The beneficial effects of the receding infections have been overwhelmed by the geopolitical conflagration since February 2022. Consumer Price Index (CPI) inflation edged above the upper tolerance band in February, as unfavorable base effects combine with the onset of supply shocks caused by the conflict. The geopolitical tensions have cast a shadow on India's economic outlook.

India's GDP in FY2022-23 is subject to various risks such as energy access and price constraints, food inflation, reflexes from trade sanctions, tightening policies and financial instability. Consequently, the GDP is projected to be about 7.2% in FY2022-23.

## **LOGISTICS INDUSTRY OVERVIEW**

### **GLOBAL**

The Logistics industry has undergone a significant transformation in the last two years. The fiscal year 2021-22 became the year of after effects and side effects of the Covid-19 pandemic and witnessed widespread disruptions across the globe, including Port congestions and inefficiencies, Suez Canal Blockage, Extreme rate hikes across all trades, Shortage of ships and containers etc.

**Global crises, including the COVID19 pandemic and the war in Ukraine, have only underscored the importance of resilient transport.** The pandemic triggered massive disruptions to global transport and trade supply chains and undermined the financial viability of air and urban transport operators. But despite these challenges, the sector remained instrumental in taking essential workers to their jobs, keeping the economy afloat, and enabling global vaccines distribution.

To move the transport sector toward climate sustainability, the World Bank is working with countries to implement approaches that:

- Avoid unnecessary motorized travel for people and goods;
- Shift to cleaner transport solutions;
- Improve the efficiency of transport infrastructure and services; and
- Strengthen transport systems to enhance resilience.

The global logistics market in its present state has come about as a result of an amalgamation of supply side and demand side trends. The rapid proliferation of trade agreements among various nations is the major demand driver of the global logistics market.

Additionally, the initiatives aimed at increasing globe trade activities have expanded the demand for logistics in order to keep pace with the rising needs of importers and exporters. The advancements in technology which involve automated material handling equipment, biometrics, GPS, etc. aid organizations and businesses to work proficiently, thereby spurring the growth of the logistics market across the globe. The upsurge in internet retailing and the increasing popularity of online shopping are some of the other factors supporting the market growth.

### **INDIA**

India is the second-largest population in the world with 1.38 billion people and its logistics market is estimated to be around \$210 Billion. The domestic logistics market is growing at a faster pace than the economy and is expected to maintain its CAGR of 8-10% in coming years. As per various reports logistics sector contributes around 13% of GDP. Going forward we also expect reduction in it, as a resultant of following facts

- Fast tracking western DFC and announcing three new DFC's
- Sagarmala project to promote inland waterway transport
- Make in India initiative to provide industrial clusters along the key logistic routes
- Usage of RFID's to real time tracking
- Tech based security to reduce pilferage
- Increase focus on services in addition to time and cost by corporate

Lockdown imposed due to COVID-19 was a huge shock on the Indian Economy as well as the Indian logistics Industry. The impact was especially serious for transportation sector in the initial few weeks, due to strict restrictions on movement of goods vehicle limiting to only essentials. Logistics sector also faced intense labor crisis in initial months of FY21. However, workforce returned and resumed their respective duties after 2-3 months of lockdown. As lockdowns were lifted across the country, the logistics industry, in cohesion with the economy showed high degree of resilience. In the year of pandemic in FY 21 total cargo volume for Indian railway has registered a growth of 2% in volume and 3% in revenue terms with a load of 1232 Mn ton. After sharp dip in e-way bills generation during April 2020, it witnessed a consistent growth post lockdown and in the month of March FY 21 it touched the ever-highest figure of 71.2 million e-way bills. Similarly in EXIM, international trade suffered significantly because of lockdown around the world and in India as well. But, as the lockdowns were lifted across the world, the total export shipments grew by 60.29% to \$34.45 billion in March 21 when compared with March 20. Also, imports grew by 53.74% to \$48.38 billion in March 21 when compared with March 20.

Government has been exceptional in its support for the overall growth in logistics sector. With reforms such as GST, National Logistics Policy, e-way bill, government has displayed its inclination for improvement in logistics industry. Last few years various Government initiatives have very positive impact on Express logistics segment. Some of which are

- GST
- e-waybill:
- Digitization:
- Infrastructure Development

## **OPPORTUNITIES & EMERGING TRENDS IN TRANSPORT SECTOR**

### **Changing Consumer Behavior & Consumption Patterns**

E-commerce has significantly impacted the way customers shop. The E-commerce market in India is projected to reach US\$ 75 Billion by 2022, recording a CAGR of 21.5% over 2021-25, reaching a market size of US\$ 120 Billion.

- **Increasing Demand for Fulfillment Fueling Warehousing Growth**

GST has resulted in higher hub-and-spoke model adoption in Warehousing, Cold Chain, Container Freight Stations, and Inland Container Depots. With changing customer preferences, companies have shifted their focus towards urban logistics, automated warehousing and last-mile delivery.

- **Focused last-mile deliveries to improve customer experience**

Huge investments are being directed towards route optimization, tracking and network building to focus on and meet the last-mile delivery requirements. Today, a growing number of logistics players are strengthening their efforts to provide customers with hasslefree deliveries.

- **Increase in Return Management/Reverse Logistics**

The E-commerce market is experiencing rapid growth. Along with deliveries, there are also innumerable returns required to be catered efficiently by E-commerce partners. Here, technology plays a crucial role in efficiently integrating the inventory management system with the E-commerce platforms. This area will be

very critical for all industries because having a smooth returns/recycle logistics system will be necessary in order to comply with ESG norms.

## **Government Initiatives**

- **PM Gati Shakti**

The PM Gati Shakti - National Master Plan for Multi-modal Connectivity is a digital platform. It aims to bring 16 Ministries, including Railways and Roadways, together for integrated planning and coordinated implementation of infrastructure connectivity projects.

- **National Logistics Policy**

The Policy's goal is to reduce time, wastage, and cost while also ensuring sustainability. The NLP shall enhance the seamless country-wide distribution of goods and promote the ease of doing business for many players across the sector. The Policy targets strengthening the warehousing sector by enhancing storage quality and expanding capacity by identifying relevant standardization and optimization areas.

- **National Infrastructure Pipeline**

The Government has earmarked an investment of Rs. 102 Lakh Crores for the development of road, railways, civil aviation, telecom, housing, and others over 2020-2025. This will help in building efficient and smooth infrastructure while ensuring network optimization.

- **Government's Drive to Reduce Logistics Costs**

The Ministry of Commerce and Industry, India aims to reduce the logistics costs from the current share of 14% to 15% of the GDP to 10%, over the period of next five years. The Government has decided to allocate Rs. 11,00,550 Million to the Logistics industry as an aid in lowering logistics costs.

- **Production Linked Incentive (PLI): Towards an Atmanirbhar Bharat**

Implementing various projects under the PLI scheme will require the Central and State Government's approval. To make the Scheme successful and enable the companies to flourish, there will be an increased emphasis on enhancing infrastructure and logistics to ensure smoother connectivity.

## **CHALLENGES IN TRANSPORT SECTOR**

As digital disruption and innovation become critical parts of the entire strategy for many businesses, a lot needs to change. The role of supply chain and logistics needs to alter to capitalize on the value of any digital investment an organization establishes.

### **1. Transportation Challenges**

Transportation by road is the primary mode of freight cargo transportation in India. Nearly 60% cargo moves by road. Owing to over-saturated rail networks and high rail tariffs, a mere 32% cargo moves by rail. Although majority of the supply chain moves by road, it is not without a fair amount of hiccups. Road transportation proves to be quite inefficient because of poor road infrastructure, multiple checkpoints, and congestion.

### **2. Bulk Order Intensity Ratio**

Keeping up with bulk order timelines is a herculean task for transportation companies. Every Indian Transportation Company in the Logistic Sector has faced the exhausting issue of keeping up with the supply-chain timeline in the event of receiving bulk load of orders. In the instance of high volume of orders received, it often gets difficult to prioritize and juggle orders and deliveries on an extremely tight timeline. This challenge gets aggravated when the company has limited resources, owing to the difficult payment cycles.

Festival time is the best example of mass delays in delivery schedules, when an overall failure of the ETA mechanism can be observed.

### **3. Hike in Fuel Cost**

Fuel cost is one of the biggest challenges faced by the transportation companies in the Indian logistic sector. The inflation in fuel prices results in increase of transportation costs to the shippers. Rise in fuel prices constantly increase the surcharges added to freight rates. This naturally cuts down the revenue and earnings of truckers, as fuel prices increase.

### **4. Unforeseen Delays in Transportation**

The varied terrain and diverse travel and weather conditions in India, create an unreliability in the transportation industry, owing to the high probability of unforeseen conditions. Even when the packaging and drops are conducted on schedule, the transportation industry is often challenged by delays. Mainly because India is a huge country, covering different terrains, subject to different conditions. Also, roads are terrible in the remote, internal parts of the country and Ghats are prone to accidents and landslides.

Traffic congestions, multiple checkpoints, and toll stations add to the woes. This translates into the Logistics companies losing out on a lot of time and money. In a nutshell, even after taking into consideration extra delays, more unforeseen delays cannot be ruled out.

### **5. Dearth of Skilled Personnel**

The Indian Logistics sector faces an alarming lack of skilled manpower and specialized personnel. With the advent of modern technology, there is a keen requirement for technically skilled labor. However, the laborers are under-skilled, over-worked and lack the desired skill-set to make the process efficient. Also, to save on capital, companies compromise on the training and payment of their logistics staff. Resultantly, these companies face the problem of high labor turnover, increased training costs and under-performing human resource.

### **6. Pitiabale Warehousing Conditions**

Another major challenge is storage. The unfortunate plight of pitiabale warehousing facilities in India is no secret. Cargos incur immense damage owing to pest-infested warehouses, damage due to leakages, lack of proper storage space, and much more. This is most predominant in case of low margin goods and cargo. Also, the Governments use the big warehouses to store grains, leaving very little space for cargo storage.

### **7. Inadequate and Overstressed Delivery Staff**

Overstressed delivery staff is a grave challenge faced by the supply chain of the Indian logistic sector. Every transportation company in India faces the problem of employing and retaining their delivery staff. The industry faces a shortage of delivery personnel, leading to the workloads of multiple time-bound deliveries being placed on the current workers. This obviously leads to them getting burnt out and discouraged with the pressure and with overwork.

### **8. High International Freight Rates**

Logistics, as an industry continues to face major challenges like high (4-5X) international freight rates – making EXIM trade is still a cause of concern, shortage of containers, high prices of ships, driver shortages, fuel price increase and the resultant inflation in general. These challenges have led to an increase in the overall logistics cost, hence impacting demand substantially.

## **RISK MANAGEMENT AND CONCERNS**

### **Internal Control Systems and their adequacy**

The Company has an effective and reliable internal control system commensurate with the size of its operations which are constantly assessed. The efficacy of the internal checks and control systems is validated by internal as well as statutory auditors. The Audit Committee reviews the internal audit plan, adequacy and



effectiveness of the internal control system. It also reviews functioning of the Whistle Blower mechanism and monitors the action taken on the cases reported. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. The Audit Committee of Directors periodically reviews the significant findings of audits, as prescribed in the Companies Act, 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## **Risk Management**

Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

The Company however faces the following risks:

- **Competition Risk:** This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment, from domestic as well as multinational players. However, NECC has established strong brand goodwill in the market and a strong foothold in the entire logistics value spectrum.
- **Regulatory Risk:** If we are unable to obtain required approvals and licenses in a timely manner, our business and operations may be adversely affected. However, the Government has come up with a number of initiatives to boost the logistics sector and has planned massive investments in the infrastructure sector. As all industry predictions suggest that this will be the trend in the future as well and given our own experience in obtaining such permissions, we do not expect this risk to affect us materially in the coming years.
- **Liability Risk:** This risk refers to our liability arising from any damage to cargo, equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

As a diversified enterprise, your Company continues to focus on a system-based approach to business risk management. A strong and independent Internal Audit function at the corporate level carries out risk focused audits across all businesses, enabling identification of areas where risk management processes may need to be strengthened.

## **OPERATION AND FUTURE OUTLOOK (ABOUT NECC)**

North Eastern Carrying Corporation Ltd (NECC) was started in 1968 by Late Sh. Jaswant Rai Jain as a part load service between Delhi and the difficult and most remote parts in the east and north east of India. It soon became a renowned name amongst the traders for safety of goods and prompt services. The company has always put forth the interests of its clients and till date we have been trying to follow the same principles. The company's wings were further expanded after the joining of Sh. Sunil Kumar Jain (CMD) in 1980 who took NECC's presence to pan India while starting new verticals and expanding the horizon of services offered to the vast set of clients. NECC has always been a preferred logistics partner for most of reputed organizations throughout India. Over last decades we have transformed from a mere PTL player to a full fledged logistics company, while gaining not just customers but also the reputation of being one of the most reliable transportation company and giving turnkey solutions for all logistics needs. Today, NECC family comprises of thousands of employees and associated vendors offering their services throughout India, Nepal & Bhutan.

Currently NECC offer's services like part truck load (PTL), full truck load (FTL), bulk movements, ODC movements, warehousing & 3pl

**PTL:** movement of goods/small parcels (<50kg's) from all over India to the eastern and north eastern part of the country. This is the flagship business of the company and we are proud to be the top player in the entire region in terms of network density and serviceability. We have more than 4 lakh customers in this division along with 250 offices spread across India/Nepal/Bhutan.

**FTL:** we provide this service to all major corporate where we can place the truck from anywhere to anywhere depending on the clients needs.

**Bulk movements:** in this division, we offer services like mining logistics, chrome/iron/magnese ore transportation from mines to processing hubs to plants and then to final customers. We are proud to be able to give end to end solution to our clients having negligible competition.

**ODC movements:** over dimensional consignments require special expertise and safety measures to be transported over long distance, NECC's team of experts do this all over India on turnkey basis.

**Warehousing & 3pl:** we have more than 1.5 million sq ft of warehousing space all over India. (mix of lease and owned) and providing our clients with complete solution of primary movements, storage and then to end customers on just in time basis. This is the fastest growing division for the company at the moment and we have been investing in building assets to grow our strength in this business.

We are in the process of creating new business horizons within the existing vast customer base. We have already entered 3PL & Warehousing, which is a very promising sector with high growth and substantially better margins. Our key focus is to improve the overall profitability and increase the bottom line profit percentage so as to create value for our shareholders. We focus to reduce working capital cycle through efficient cash management.

Our plan is to develop and strengthen our manpower base which is a key factor for our long term growth. Also, as a logistics service provider we feel that our reach and network is an important factor that would enable us to cater to more clients and give better serviceability to our existing ones in the PTL division. Thus, we are in the process of opening new office's & branches in remote parts of India that would help us in our next phase of growth. We are also cautious about our investments in these new locations and we take the franchise route where necessary to mitigate the risks and grow on a more sustainable basis.

We are also very bullish on our projects and ODC/Bulk business division which caters to marquee clients like TATA steel and likes. This is a promising division with the potential to give major boost to our top line and is also the one with comparatively limited competition due high entry barriers. We as a company are committed to this line of business and are working extensively to improve our infrastructure by continuously investing in advanced material handling equipments & the training of manpower for better safety standards and enhanced working capabilities though our dedicated training programs in order to get more business in this division going ahead.

*"The consent of the Board of Directors of the Company has been accorded on July 05, 2022 for issue of equity shares of the Company having face value of Rs. 10.00/- [Indian Rupees Ten Only] for an amount not exceeding Rs. 85,00,00,000/- (Indian Rupees Eighty five Crore Only) to the existing shareholders on rights basis in their existing proportion."*

## **HUMAN RESOURCE/INDUSTRIAL RELATIONS**

We truly believe that NECC's biggest strength is its people, fondly called as NECC'ites, and is the single most important factor to ensure sustainable business growth and become 'Future Ready'. This is why we have a

relentless focus on strengthening our talent management and employee engagement processes. As on March 31, 2022, the Company's total manpower stood at 480 employees which include Executives and Non-Executives.

For effective and meaningful Human Resource management at NECC, we concentrate on all aspects of the employee lifecycle to provide a holistic experience to the NECC'ites. During their tenure with NECC, a NECC'ites is motivated through various skill development interventions, including job rotations, customized training programme and engagement and volunteering programs. We also strived to be more open, transparent and objective in our people processes. We encourage debate and open dialogue on various processes directly impacting NECC'ites which helps us to develop and improvise our people strategy for future.

The Industrial Relations of the Company too, continued to be on a cordial note. There was no loss of man-days on account of industrial unrest. Further, there are regular interactions between the management and the employees, thereby fostering an atmosphere of trust and cooperation.

### **Internal policies**

The leadership competency framework for the organisation has been fully integrated with various HR processes. A functional competency framework for all the different functions in the Company has been developed; it is now being used to create learning academies and drive excellence in each function. To enable people to take up the higher responsibilities, the transition programmes have been made more relevant and robust. Learning needs have been addressed during FY 2021-22 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 organization structure and defined processes. We are a non-discriminating employer ensuring our HR and CSR initiatives are devoid of any prejudices protected by law. Our affirmative actions include actively hiring women candidates, support hiring of differently abled and other CSR initiatives which touches more than 15000 lives.

### **CAUTIONARY STATEMENT**

*Certain statements in "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook.*

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

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

**Place: Delhi**

**Date: September 07, 2022**

## BUSINESS STRATEGIES



## COMMERCIAL UPDATE & BUSINESS OUTLOOK

NECC as a company is committed to this line of business and is working extensively to improve its infrastructure by continuously investing in advanced material handling equipment's & the training of manpower for better safety standards and enhanced working capabilities through dedicated training programs in order to get more business in this division going ahead.

The company is in the process of opening new offices & branches in remote parts of India that would help in our next phase of growth. The management is also cautious about its investments in these new locations and it takes the franchise route wherever necessary to mitigate the risks and grows on a more sustainable basis.

The key focus of NECC is to improve the overall profitability and increase the bottom line & profit percentage so as to create value for its shareholders.

NECC plans to develop and strengthen its manpower base which is a key factor for the company's long-term growth.

The Board has approved the proposal for issuance of equity shares of face value of Rs.10.00/- for an amount of Rs. 49,50,00,000/- (Indian Rupees Forty-Nine Crore Fifty Lakhs Only) through a Rights Issue



**NEMANI GARG AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**  
**1517, DEVIKA TOWER, 6, NEHRU PLACE,**  
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**Independent Auditors' Report**

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

**30 th May, 2022**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of North Eastern Carrying Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("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, 2022, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

1. The Company has not provided Provision for doubtful debts since the management is of the opinion that Debtors are fully realizable.
2. The company has not recognized Right to Use assets of leased property since in the view of management the lease are not long term lease.
3. The debit and credit balances are subject to confirmation

**Financial Impact of above observation are not ascertainable.**

**Our opinion is not modified in respect of the above stated matters**





We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the *Code of Ethics*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.





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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may





involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note on contingent liabilities to the financial statements.





- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring the amounts, which was required to be transferred to the investor education and protection fund by the company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

© Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or proposed dividend during the year.

**For Nemanl Garg Agarwal & Co.**

Chartered Accountants

Firm's Registration Number: 010192N



**(CA. SK Nemanl)**

Partner

Membership Number: 037222

UDIN: 22037222 AL0VHL1994



Place of Signature: New Delhi

Date: 30 May, 2022



## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of North Eastern Carrying Corporation Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) Company had no inventory during the year hence provision of clause 3(ii) ( a) of the order is not applicable to the company.  
(b) The Company has sanction of working capital limits in excess of ₹ 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets , and quarterly returns or statements filed by the company with banks are in agreement with the books of accounts of the Company.
- iii. The Company has not made investments in, companies, firms, Limited Liability Partnerships, and has not granted unsecured loans to other parties, during the year, hence reporting under clause 3(iii) (a)to (f)of the order are not applicable to the company.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.





- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are NIL:
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest from any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has applied the term loan for the purpose for which the loans were obtained..
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans on the pledge of securities held in its subsidiary, joint ventures or associates companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.





- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
 (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
 (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash loss during the financial year covered by our audit and during the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors of the Company during the year. However no objections or concerns or issues were raised by outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.



(b) No amount unspent under sub section (5) of section 135 of Companies Act pursuant to any ongoing project for CSR amount was outstanding for transfer to special Account in compliance with the provision of sub section (6) of section 135 of Companies Act at the end of the Financial Year.

**For Nemani Garg Agarwal & Co.**

*Chartered Accountants*

Firm's Registration Number: .010192N



**(CA. SK Nemani)**

*Partner*

Membership Number: 037222

UDIN: 22037222ALOUHL 199A

Place of Signature: New Delhi

Date: 30 May, 2022



## **Annexure 'B' To the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of North Eastern Carrying Corporation Limited)

### **Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of North Eastern Carrying Corporation Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements 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.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements 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 ('ICAI'). 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For Nemani Garg Agarwal & Co.**

*Chartered Accountants*

Firm's Registration Number:-010192N



**(CA. SK Nemani)**

*Partner*

Membership Number: 037222

UDIN: 22037222 ALOUHL1994



Place of Signature: New Delhi

Date: 30 May, 2022



**NORTH EASTERN CARRYING CORPORATION LIMITED**  
(All amounts in INR Lakhs, unless otherwise stated)  
**BALANCE SHEET AS AT 31ST MARCH, 2022**

PARTICULARS	Notes	As At	As At
		31.03.2022	31.03.2021
		Amt. In Rs. Lakhs	Amt. In Rs. Lakhs
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	867.22	902.38
(b) Intangible assets	5	426.99	480.37
(c) Financial Assets			
(i) Loans	6	281.06	291.68
(d) Deferred Tax Assets		109.90	77.34
		<u>1,685.18</u>	<u>1,751.77</u>
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	7	10,585.98	10,433.43
(iii) Cash and cash equivalents	8	766.48	553.04
(iv) Other Bank balances		-	-
(v) Loans	9	8,749.27	6,900.91
(b) Other current assets		-	-
		<u>20,101.73</u>	<u>17,887.39</u>
<b>Total Assets</b>		<u><u>21,786.91</u></u>	<u><u>19,639.16</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Share Capital	10	5,019.73	5,019.73
(b) Other Equity	11	4,873.88	4,452.31
		<u>9,893.61</u>	<u>9,472.04</u>
<b>Liabilities</b>			
<b>(2) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	283.13	159.38
(b) Provisions		256.49	-
		<u>539.62</u>	<u>159.38</u>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	9,810.59	8,457.42
(ii) Trade Payables	14	352.56	398.41
(b) Other Current Liabilities	15	818.98	735.77
(c) Provisions	16	371.55	416.14
		<u>11,353.68</u>	<u>10,007.74</u>
<b>Total Equity &amp; Liabilities</b>		<u><u>21,786.91</u></u>	<u><u>19,639.16</u></u>

Significant Accounting Policies 1,2,3

The Notes No. 1 to 57 are integral part of these financial statements.

As per our report of even date attached.

For Nemani Garg Agarwal & Co.

Firm Regn. No. 010192N

Chartered Accountants

S.K. Nemani

Partner

M.No.: 037222

UDIN:- 22037022ALOUHL1994



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

Sunil Kumar Jain  
Managing Director  
DIN : 00010695

Mamta Bisht  
Company Secretary  
M. No. 30347

Utkarsh Jain  
Director  
DIN : 05271884

S. L. Yadav  
CFO

Place: New Delhi

Date: 30.05.2022

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**  
 (All amounts in INR Lakhs, unless otherwise stated)

PARTICULARS	Notes	For the year ended 31.03.2022 <u>Amt. In Rs. Lakhs</u>	For the year ended 31.03.2021 <u>Amt. In Rs. Lakhs</u>
<b>INCOME</b>			
Revenue from operations	17	25,042.77	23,058.64
Other Income	18	42.75	215.11
<b>Total</b>		<u>25,085.53</u>	<u>23,273.75</u>
<b>EXPENSES</b>			
Operating/Direct Cost/Services Availed	19	20,628.59	19,399.70
Employee Benefit Expenses	20	1,305.47	1,310.16
Financial Costs	21	603.69	685.60
Depreciation and Amortization Expense	22	372.74	310.26
Other Administrative Expenses	23	1,606.39	1,449.89
<b>Total</b>		<u>24,516.89</u>	<u>23,155.61</u>
Profit before exceptional and extraordinary items and tax		568.64	118.14
Exceptional Items		-	-
Profit before extraordinary items and tax		568.64	118.14
Extraordinary Items		-	-
Profit before tax		568.64	118.14
<b>Tax expense:</b>			
(1) Provision for Current tax (Income Tax)		203.18	45.49
(2) Deferred Tax Savings/(Charge)		32.55	12.90
(3) Provision for tax(Earlier year) W/back		27.73	57.45
Profit(Loss) from the period from continuing operations		425.75	143.01
Profit/(Loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(Loss) from Discontinued operations		-	-
<b>Profit/(Loss) for the period</b>		<u>425.75</u>	<u>143.01</u>
<b>Other comprehensive income</b>			
(A)(i) Items that will not be reclassified to profit or loss:		-	-
(ii) Income tax relating to item that will not be classified to Profit and Loss		-	-
(B)(i) Items that will be reclassified to profit or loss:		-	-
(ii) Income tax relating to item that will be classified to Profit and Loss - Loss on reclassification of gratuity		4.18	-
<b>Total Other Comprehensive Income</b>		4.18	-
<b>Total Comprehensive Income for the year</b>		<u>421.57</u>	<u>143.01</u>
<b>Earning per equity share:</b>			
(1) Basic		0.85	0.28
(2) Diluted		0.85	0.28

Significant Accounting Policies 1,2,3  
 The Notes No. 1 to 57 are integral part of these financial statements.

As per our report of even date attached.


For Nemani Garg Agarwal & Co.  
 Firm Regn. No. 010192N  
 Chartered Accountants

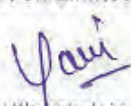
S.K. Nemani  
 Partner  
 M.No.: 037222


UDIN:- 22037222ALOUHL1994




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

  
 Sunil Kumar Jain  
 Managing Director  
 DIN : 00010695

  
 Utkarsh Jain  
 Director  
 DIN : 05271884

  
 Mamta Bisht  
 Company Secretary  
 M. No. 30347

  
 S. I. Yadav  
 CFO

Place: New Delhi  
 Date: 30.05.2022



**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022**  
 (All amounts in INR Lakhs, unless otherwise stated)

	As At 31.03.2022	As At 31.03.2021
Amt. In Rs.	Amt. In Rs. Lakhs	Amt. In Rs. Lakhs
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit before taxation	568.64	118.14
Add: Depreciation	372.74	310.26
Sub-Total	941.38	428.40
Add: Other Comprehensive Income	4.18	-
Add: Profit(Loss) Loss on Sale of Fixed Assets	36.59	2.39
Less: Interest on Income Tax Refund/Other Interest	5.06	54.72
Operating Profit before working capital changes	895.56	371.29
Add: Decrease in Sundry Debtors	152.55	1,101.18
Less: Increase in Loans & Advances	1,837.73	1,078.54
Add: Increase in Liabilities	249.26	1,456.84
Cash generated from operations	845.46	1,062.91
Less: Income Tax Paid/ Provided	175.45	11.97
Net Cash From Operating Activities (A)	1,020.91	1,050.94
<b>B. Cash Flow From Investing Activities:</b>		
Add: Sale Proceeds of Fixed Assets	64.77	4.00
Add: Interest on Income Tax Refund/Other Interest	5.06	54.72
Less: Purchase of Fixed Assets	312.39	18.98
Net Cash Outflow from Investing Activities (B)	242.56	39.74
<b>C. Cash Flow From Financing Activities:</b>		
Decrease in Secured Borrowings	1,017.23	872.85
Less: Decrease in Unsecured Loans	459.68	1,877.75
Net Cash Inflow from Financing Activities (C)	1,476.91	1,004.90
Net Increase in Cash & Cash Equivalents (A+B+C)	213.44	6.30
Add: Cash & Cash Equivalents at beginning of Year	553.04	559.34
Cash & Cash Equivalents at end of Year	766.48	563.04

As per our report of even date attached.

For Nemani Garg Agarwal & Co.  
 Firm Regn. No. 010192N  
 Chartered Accountants

S.K. Nemani  
 Partner  
 M.No.: 037222  
 UDIN:- 22037222ALOUHL1994



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

Sunil Kumar Jain  
 Managing Director  
 DIN : 00010695

Mamta Bisht  
 Company Secretary  
 M. No. 30347

Utkalsh Jain  
 Director  
 DIN : 05271884

S.L. Yadav  
 CFO

Place: New Delhi  
 Date: 30.05.2022

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 on the financial statements of the Company.



**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**Statement of Changes in Equity (SOCE) for the year ended March 31, 2022**  
 (All amounts in INR Lakhs, unless otherwise stated)

**A. Equity Share Capital**

Amount in Rs Lakhs

Particulars	As at April 1, 2020	Change in equity share capital during the year	As at March 31, 2021	Change in equity share capital during the year	As at March 31, 2022
Equity Share	5,020	-	5,020	-	5,020

**B. Other Equity**

Amount in Rs lakhs

Particulars	Shree Ganesh Ji Maharaj	Reserves & Surplus	Total
		Retained Earnings	
Balance as at April 1, 2020	0.01	4,309.29	4,309.30
Profit for the period	-	143.01	143.01
Other comprehensive income (net of tax)	-	-	-
Balance as at March 31, 2021	0.01	4,452.30	4,452.31
Profit for the period	-	425.75	425.75
Other comprehensive income (net of tax)	-	4.18	4.18
Balance as at March 31, 2022	0.01	4,873.87	4,873.88

For Nemani Garg Agarwal & Co.  
 Firm Regn. No. 010192N  
 Chartered Accountants

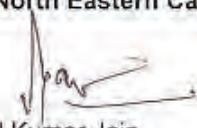
S.K. Nemani  
 Partner  
 M.No.: 037222  
 UDIN:-

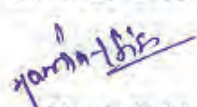


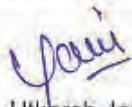
22037222ALOUHL1994


Place: New Delhi  
 Date: 30.05.2022

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

  
 Sunil Kumar Jain  
 Managing Director  
 DIN : 00010695

  
 Mamta Bisht  
 Company Secretary  
 M. No. 30347

  
 Utkarsh Jain  
 Director  
 DIN : 05271884

  
 S. L. Yadav  
 CFO



## NORTH EASTERN CARRYING CORPORATION LIMITED

### Notes to the financial statements for the year ended March 31, 2022

#### 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 2022 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 IndAS 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. Depreciation on Goodwill is being provided on straight line method over ten years.

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 is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year.

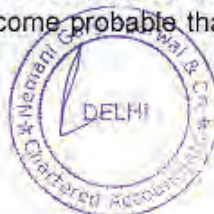
**viii)Income Taxes:**

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.

### **3.Critical accounting estimates, assumptions and judgements**

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, 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 judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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

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





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

Note - 4 and 5 Property, Plant, Equipment and Other Intangible Assets (Amount in Rs lakhs)

Particulars	Computers	Office Equipment & Fixtures	Furniture Installation & Fittings	Electrical Installation & Fittings	Lorry & Trucks (SLM)	Cars, Scooters & Cycles	Land	Building	Total	Goodwill	Total
<b>Gross Block</b>											
As at April 1, 2020	144.32	46.14	81.79	8.38	1,570.15	527.65	33.21	272.12	2,683.77	533.74	533.74
Additions	4.79	1.19	0.16	-	-	12.84	-	-	18.98	-	-
Disposal	-	-	-	-	12.26	2.88	-	-	15.14	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	149.12	47.33	81.95	8.38	1,557.90	537.61	33.21	272.12	2,687.61	533.74	533.74
Additions	4.47	1.10	-	-	169.48	137.34	-	-	312.39	-	-
Disposal	-	-	-	-	71.74	101.18	-	4.26	177.18	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	153.59	48.43	81.95	8.38	1,655.63	573.77	33.21	267.86	2,822.83	533.74	533.74
<b>Accumulated Depreciation</b>											
As at April 1, 2020	133.13	40.22	73.87	7.13	775.11	375.48	-	136.93	1,541.87	-	-
Depreciation for the period	3.76	2.22	1.18	0.32	196.15	46.68	-	6.58	256.69	53.37	53.37
Disposal	-	-	-	-	10.79	2.74	-	-	13.53	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	136.89	42.44	75.05	7.45	960.46	419.43	-	143.51	1,785.23	53.37	53.37
Depreciation for the period	5.13	1.75	0.88	0.20	189.47	115.68	-	6.26	319.37	53.37	53.37
Disposal	-	-	-	-	59.05	88.60	-	1.35	149.00	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	142.02	44.18	75.94	7.65	1,090.88	446.51	-	148.42	1,955.60	106.75	106.75
<b>Net carrying amount</b>											
As at March 31, 2021	12.23	4.89	6.89	0.94	597.43	117.18	33.21	128.61	902.38	480.37	480.37
As at March 31, 2022	11.56	4.25	6.01	0.74	564.75	127.27	33.21	119.44	867.22	426.99	426.99





**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss Statement  
for the year ended 31st March, 2022

	As On 31.03.2022 <u>Amt.In (Rs. Lakhs)</u>	As On 31.03.2021 <u>Amt.In (Rs. Lakhs)</u>
<b>Note : 6 Non-Current Loans</b>		
(Unconfirmed, Unsecured and Considered Good)		
Security Deposits	1.97	1.72
Earnest Money Deposits	79.86	80.24
Landlord Security Deposits	199.24	209.72
<b>Total</b>	<u>281.06</u>	<u>291.68</u>
<b>Note : 7 Trade Receivables</b>		
(Unconfirmed, Unsecured and Considered Good)		
Debts outstanding for more than six months	961.43	981.30
Others Debts	9,624.56	9,452.13
<b>Total</b>	<u>10,585.98</u>	<u>10,433.43</u>
<b>Note : 8 Cash &amp; Cash Equivalent</b>		
<b>Cash-in-Hand</b>		
Cash in Hand	673.83	411.44
Funds In Transit	27.32	43.42
	<u>701.16</u>	<u>454.86</u>
<b>Bank Balance</b>		
Balance - In Current A/c	50.38	83.95
Balance - In Fixed Deposits	14.94	14.22
	<u>65.32</u>	<u>98.18</u>
<b>Total</b>	<u>766.48</u>	<u>553.04</u>
<b>Note : 9 Loans</b>		
(Unconfirmed, Unsecured & Considered Good)		
(Advance recoverable in cash or in kind or for value to be recd.)		
Staff Advances	354.79	314.25
Rates & Taxes Receivable	460.77	84.21
Prepaid Expenses & Recoverables	17.99	19.54
Advance Income Tax/TDS (AY 22-23)	323.58	-
Advance Income Tax/TDS (AY 21-22)	296.33	296.33
GST	40.09	-
GST Deposit under protest	54.58	-
Other Advances	7,188.18	6,174.27
Interest Accrued but not recieved on FDR	12.95	12.31
<b>Total</b>	<u>8,749.27</u>	<u>6,900.91</u>
<b>Note : 11 Other Equity</b>		
<b>Refer Statement of change in Equity for detailed movement in equity balance</b>		
Shree Ganesh Ji Maharaj	0.01	0.01
<b>Reserves &amp; Surplus</b>	-	-
Retained Earnings	4,873.87	4,452.30
<b>Total</b>	<u>4,873.88</u>	<u>4,452.31</u>



**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Statement of Profit & Loss  
for the year ended 31st March, 2022

	As On 31.03.2022	As On 31.03.2021
	Amt.In (Rs. Lakhs)	Amt.In (Rs. Lakhs)

**Note - 10: Share Capital**

**Authorized Share Capital :**

100000000 (54000000) Equity Shares of Rs 10 each	10,000.00	5,400.00
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**Issued , Subscribed and fully paid up shares :**

50197336 (50197336) Equity Shares of Rs 10 each fully paid up	5,019.73	5,019.73
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**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

At the beginning of the period	5,01,97,336	5,01,97,336
Issued during the period	0	0
At the end of the period	5,01,97,336	5,01,97,336

**Terms/Rights attached to equity shares**

a) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. The equity share holder are eligible for dividend, if so declared. The dividend proposed by the board of directors is subject to the approval of the share holders in the ensuing annual general meeting, except in case of Interim Dividend.

b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period and during five years immediately preceding the reporting date**

NIL

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

NECC Automobiles (P) Limited	8334152(16.60%)	8334152(16.60%)
NECC Securities (P) Limited	7656880(15.25%)	7656880(15.25%)
Suvi Developers P Ltd	1631400(3.25%)	3631400(7.23%)
Religare Finvest Limited	6036494(12.03%)	6036494(12.03%)
Vanya Jain	5019565 (10%)	5019565 (10%)
Utkarsh Jain	3798114 (7.57%)	3798114 (7.57%)





**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss Statement  
for the year ended 31st March, 2022

	As On 31.03.2022 <u>Amt.In (Rs. Lakhs)</u>	As On 31.03.2021 <u>Amt.In (Rs. Lakhs)</u>
<b>Note : 12 Non Current Borrowings</b>		
Refer note-54A for Security details		
<b>Vehicle Loans:</b>		
ICICI Bank Ltd	-	0.22
HDFC Bank Limited	208.53	153.21
Axis Bank	-	5.95
BMW Financial Services Limited	74.60	-
<b>Total</b>	<b>283.13</b>	<b>159.38</b>

<b>Note : 13 Current Borrowings</b>		
Refer note-54 B for Security details		
HDFC Bank Limited	109.58	357.04
ICICI Bank Limited	0.22	2.54
Axis Bank	5.95	23.93
BMW Financial Services Limited	18.30	-
(Secured against hypothecation of vehicles financed)		
Kotak Mahindra Bank ( OD A/c)	4,557.92	3,415.09
DBS (O/D and WCDL)	2,478.19	2,478.06
(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	2,640.43	2,180.75
<b>Total</b>	<b>9,810.59</b>	<b>8,457.42</b>

<b>Note : 14 Trade Payables</b>		
Sundry Creditors	352.56	398.41
<b>Total</b>	<b>352.56</b>	<b>398.41</b>





**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss Statement  
for the year ended 31st March, 2022

	As On 31.03.2022 <u>Amt.In (Rs. Lakhs)</u>	As On 31.03.2021 <u>Amt.In (Rs. Lakhs)</u>
<b>Note : 15 Other Current Liabilities</b>		
Security Deposits	0.65	0.66
E. S. I. Payable	2.02	1.49
Provident Fund Payable	21.22	9.99
Professional Tax Payable	0.24	0.17
T. D. S. Payable	38.11	37.43
GST Payable	139.28	88.17
Bonus/ Ex-Gratia Payable	64.95	67.58
VAT Payable	1.49	-
Lorry Freight Payable	94.37	93.34
Claim Payable	0.57	0.28
Other Expenses & Liabilities Payable	456.08	436.64
<b>Total</b>	<u>818.98</u>	<u>735.77</u>
<b>Note : 16 Current provisions</b>		
Provision for I. Tax (AY 2022-2023)	203.18	-
Provision for I. Tax (AY 2021-2022)	45.49	45.49
Provision for Gratuity	122.89	370.66
<b>Total</b>	<u>371.55</u>	<u>416.14</u>
<b>Note : 17 Revenue from Operations</b>		
Freight	24,503.25	22,340.35
Loading & Unloading	386.97	718.30
Warehouse Income	152.55	-
<b>Total</b>	<u>25,042.77</u>	<u>23,058.64</u>
<b>Note : 18 Other Income</b>		
Profit on sale of Fixed Assets	36.59	2.39
Discount on Finance	1.11	0.12
Interest received	5.06	54.72
Lorry Maintenance	-	137.87
Warehouse Income	-	20.01
<b>Total</b>	<u>42.75</u>	<u>215.11</u>
<b>Note : 19 Operating / Direct Cost/ Services Availed</b>		
Lorry Freight	19,987.96	18,560.12
Loading Expenses	363.77	687.06
Commission	72.60	106.09
Claims	68.88	36.78
Warehouse Charges	135.38	9.64
<b>Total</b>	<u>20,628.59</u>	<u>19,399.70</u>



**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss Statement  
for the year ended 31st March, 2022

	As On 31.03.2022 <u>Amt.In (Rs. Lakhs)</u>	As On 31.03.2021 <u>Amt.In (Rs. Lakhs)</u>
<b>Note : 20 Employee Benefit Expenses</b>		
Establishment Expenses	1,102.77	1,085.84
PF/ESI	70.41	121.33
Gratuity	42.42	24.69
Recruitment & Training Expenses	3.54	0.97
Directors Remuneration	61.00	61.00
Staff Welfare	25.33	16.33
<b>Total</b>	1,305.47	1,310.16
<b>Note : 21 Financial Cost</b>		
Bank Interest	551.08	612.82
Processing Charges	5.26	13.82
Interest on Loan	1.50	-
Finance Cost - Vehicles	45.86	58.96
<b>Total</b>	603.69	685.60
<b>Note : 22 Depreciation &amp; Amortised Cost</b>		
Depreciation and amortisation	372.74	310.26
<b>Total</b>	372.74	310.26



**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss Statement  
for the year ended 31st March, 2022

	As On 31.03.2022 <u>Amt.In (Rs. Lakhs)</u>	As On 31.03.2021 <u>Amt.In (Rs. Lakhs)</u>
<b>Note : 23 Other Administrative Expenses</b>		
Advertisement & Publicity	3.40	2.62
Books & Periodicals	-	0.02
Business Promotion	0.22	0.04
Bank Charges & Comm.	6.45	38.80
Car Expenses	25.33	14.81
Conveyance & Scooter Petrol	11.88	11.44
Corporate Social Responsibility Expenditure	12.30	2.30
Diwali Expenses	8.28	4.72
Electricity & Water Charges	55.17	51.37
Fees, Rates & Taxes	49.06	8.09
General Expenses	7.56	6.99
Generator Hire & Maintenance Charges	10.52	5.96
Insurance	43.02	64.71
Interest/Penalty on Late Deposit TDS	1.66	9.02
Interest on late deposit of GST	18.65	16.53
GST Late deposit Fees	1.99	1.73
GST	6.36	3.18
VAT Late fees	0.70	-
Internet Charges	12.26	14.11
Legal & Professional Expenses	87.33	79.76
Office Expenses	5.23	5.06
Packing & Forwarding Expenses	0.93	1.00
Payment to Auditors	4.00	3.00
Postage & Courier	11.64	9.75
Printing & Stationary	20.32	24.45
Rent	824.26	768.47
Repair & Maintenance	201.58	184.90
Scooter Expenses	26.80	22.30
Security Guard Charges	28.57	18.77
Subscriptions	1.93	1.98
Software Expenses	0.59	-
Telephone Expenses	21.22	19.31
Travelling Expenses	97.16	54.69
<b>Total</b>	<b>1,606.39</b>	<b>1,449.89</b>





## 24. 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

Name of the party	Description of relationship
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

Name of the party	Description of relationship
ShreyansBuildtech 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
Shyam Lal Yadav	Key Managerial Personnel (CFO)
Mamta Bisht	Key Managerial Personnel (CS)

### Transactions during the year with related parties

(Rs Lakhs)

	Key Managerial Personnel/Director	Key Managerial Personnel (CFO/CS)	Relatives of Key Managerial Personnel	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Others
Rent Paid	82.20 (83.10)	-	9.60 (9.60)	12.99 (14.29)	-(2.16)
Remuneration	61.00 (61.00)	48.91(44.02)	-	-	-
Loan Received	498.00 (2053.00)	-	-	-	-
Loan Repaid	338.32 (175.25)	-	-	-	-
Personal/Corporate Guarantees obtained to the extent of loan taken by the Company	Yes	-	Yes	Yes	-

\*Figures in bracket represent preceding year figures



## Closing balances of related parties

(Rs Lakhs)

	Key Managerial Personnel/Director	Key Managerial Personnel (CFO/CS)	Relatives of Key Managerial Personnel	Enterprises over which Key Managerial Personnel are able to exercise significant influence	Others
Rent Payable	93.32 (79.41)	-	13.40 (5.81)	16.60 (53.35)	- (18.93)
Remuneration Payable	11.41 (4.13)	3.88 (3.07)	-	-	-
Unsecured loan	2340.43 (2180.75)	-	-	-	-
Security Deposit	-	-	27.00 (27.00)	-	-

\*Figures in bracket represent preceding year figures

25. 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.
26. Contingent Liability not provided for:
- In Respect of Bank Guarantees issued by the bank on behalf of the company Rs 118.72 Lakhs
  - For claims/shortage not ascertained nor settled during the year. Claims lodged by customers but not settled by the company Rs 12.34 Lakhs
  - Approximate Liability on account of major cases filed against the company in various courts aggregating to Rs 66.13 Lakhs
27. Sundry Debtors include freight receivable against GRs issued during the year.
28. Tax Deducted at Source (A.Y. 2022-2023) is not final as more TDS Certificates might be received by the company in future.
29. 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.





30. Deferred Tax has been created as per AS-22 issued by Institute of Chartered Accountants of India. Rs in lakhs

Particulars	Deferred Tax Assets/(Liability) as at 01.04.2021	Deferred Tax Credit/(Charge) for the year	Deferred Tax Asset/(Liability) as at 31.03.22
On account of difference between book & tax dep.	(15.94)	(30.35)	14.41
On account of provision of gratuity	93.28	(2.19)	95.48
<b>Total</b>	<b>77.34</b>	<b>(32.55)</b>	<b>109.89</b>

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

32. 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.

**33. Employee Benefits**

**A. Defined Contribution Plan**

The Company has contributed to Employee Provident Fund, under defined contribution plans. The provident fund is operated by the Regional Provident Fund Commissioner.

During the year the company has recognized the following amounts in the Statement of Profit & Loss:

	March 31, 2022 (In Rs)	March 31, 2021 (In Rs)
Employer's Contribution to Provident Fund	56.44 Lakhs	39.59 Lakhs

**B. Defined Benefit Plan**

The present value obligation in respect of gratuity is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The summarized positions of various defined benefits are as under:-

**1. Actuarial Assumptions**

	Gratuity (unfunded) March 31, 2022	Gratuity (unfunded) March 31, 2021
Discount Rate (per annum)	6.2%	6.1%
Salary Escalation	8.0%	8.0%
Attrition rate	15.0%	15.0%
Mortality Rates	100% of India Assured Lives 2012-14 Ultimate	100% of India Assured Lives 2012-14 Ultimate





**Note:**

Discount rate should be based on the yield to maturity on high quality corporate bonds having term similar to that of the liability.

**2. Present Value of Obligation**

	Gratuity (unfunded) March 31, 2022 in Rs	Gratuity (unfunded) March 31, 2021 in Rs
Net defined benefit liability	379.37 Lakhs	370.65 Lakhs

**3. Expenses recognized in statement of profit & loss**

	Gratuity (unfunded) March 31, 2022 in Rs	Gratuity (unfunded) March 31, 2021 in Rs
Expense recognized in Profit & Loss	42.41 Lakhs	24.69 Lakhs

**34. Shareholding of Promoters:-**

Details of shares held by promoters as on 31.03.2022

S. No.	Promoter's Name	No. of shares	% of total shares	% change during the year
1.	Mrs. Vanya Jain	50,19,565	10.00	No
2	Mr. Utkarsh Jain	37,98,114	7.57	No
3.	NECC Securities Private Limited	76,56,880	15.25	No
4	NECC Automobiles Private Limited	83,34,152	16.60	No
5.	Suvi Developers Private Limited	16,31,400	3.25	Yes, the Company has sold 20,00,000 shares on 23.08.2021 & 24.08.2021 representing 3.98% change in shareholding

Details of shares held by promoters as on 31.03.2021

S. No.	Promoter's Name	No. of shares	% of total shares	% change during the year
1	Mrs. Vanya Jain	50,19,565	10.00	Yes, she had acquired 50,19,565 Equity Shares representing 10.00% on December 01, 2020 through Inter-se Transfer from her husband Mr. Sunil Kumar Jain
2	Mr. Utkarsh Jain	37,98,114	7.57	Yes, he had acquired 36,44,204 Equity Shares representing 7.26% on December 01, 2020 through



				Inter-se Transfer from his father Mr. Sunil Kumar Jain. 7.26% change during the year.
3	NECC Securities Private Limited	7656880	15.25	No
4	NECC Automobiles Private Limited	83,34,152	16.60	No
5	Suvi Developers Private Limited	36,31,400	7.23	No

35. Ageing of Trade Payable (Creditors)

As on 31.03.2022

Particulars	Amount of Trade Payable outstanding from due date of payment (Rs/Lacs)				
	Less than 1 Years	1-2 Year	2-3 Year	More than 3 Years	Total
Undisputed Dues - MSME	-	-	-	-	-
Undisputed Dues - Others	219.22	76.03	53.63	3.68	352.56
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

As on 31.03.2021

Particulars	Amount of Trade Payable outstanding from due date of payment (Rs/Lacs)				
	Less than 1 Years	1-2 Year	2-3 Year	More than 3 Years	Total
Undisputed Dues - MSME	-	-	-	-	-
Undisputed Dues - Others	198.35	73.28	126.78	-	398.41
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-





36. Ageing of Trade Receivable (Debtors) (Amount in Rs Lakhs)

As on 31.03.2022

Particulars	Amount of Trade Receivable outstanding from due date of payment					
	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables-considered good	9,624.56	319.87	48.18	33.75	559.62	10,585.98
Undisputed Trade receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade receivables-considered good	-	-	-	-	-	-
Disputed Trade receivables-considered doubtful	-	-	-	-	-	-

As on 31.03.2021

Particulars	Amount of Trade Receivable outstanding from due date of payment (Rs/Lacs)					
	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade receivables considered good	9,452.13	272.33	74.31	25.21	609.44	10,433.43
Undisputed Trade receivables considered doubtful	-	-	-	-	-	-
Disputed Trade receivables considered good	-	-	-	-	-	-
Disputed Trade receivables considered doubtful	-	-	-	-	-	-





37. **Title Deeds of immovable Property** :All title deeds of immovable properties are held in the name of the Company.

38. **Revaluation of Property, Plant and Equipment** :During the financial year, the Company has not re-valued any of its Property, Plant & Equipment.

39. **Disclosure of loans/advances given to Directors/KMP/Related parties:-**

Disclosure w.r.t loans and advances which are:-

- a. repayable on demand or
- b. without specifying any terms or period of repayment are as follows:

Type of Borrower	As on 31.03.2022		As on 31.03.2021	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	17.45	-	17.80	-
Related Parties	-	-	-	-

40. **Capital-Work In Progress** :There is no capital work in progress for tangible or intangible assets.

41. **Benami Properties** :No proceedings has been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988.

42. **Borrowings from Banks/FI on the basis of security of Current Assets**: The Company confirms that Quarterly Returns or Statements of Current Assets filed by the Company with Banks/FI, are in agreement with books of accounts.

43. The company has not been declared as willful defaulter by any bank of financial institution or any other lender.

44. **Transactions with Struck-off Companies** :The company has not entered into any transactions with struck off companies under section 248 of the Companies Act 2013 or Section 560 of Companies Act 1956.



45. **Registration of Charges or Satisfaction** :The company has following old charges for which satisfaction needs to file and the company will file the charge satisfaction at the earliest.

Charge ID	Charge holder Name	Amount in Rs Lakhs
10019423	Kotak Mahindra Bank Ltd	11.90
10019737	Kotak Mahindra Bank Ltd	171.13

46. **Compliance with layers of the companies:-**

The company has complied with the number of layers prescribed under Clause (87) of the Act read with Companies (Restriction on number of Layers) Rules 2017.

47. **Scheme or Arrangement** :During the year, the company has not entered into any scheme or arrangement in terms of Section 230 to 237 of the Companies Act 2013
48. **Utilization of borrowed funds and share premium**: During the year, the Company has not loaned or invested, borrowed funds or other funds with the understanding (written or otherwise), that the intermediary shall, directly or indirectly, lend or invest in other entities or the intermediary shall provide security/guarantee for the benefit of entities identified by the Company.
49. **Use of Borrowed Funds** :The Company has used the borrowings from banks and Financial Institutions for the specific purpose for which it was taken.
50. In the opinion of the Board, all current assets have a value on realization in the ordinary course of business which is equal to the amount at which they are stated in financial statements.
51. Being a service company quantitative information/ clause are not applicable.
52. **Payment to Auditors** Amt. In Rs.  
Audit Fee Rs.4 Lakhs (Previous Year Rs.3 Lakhs)
53. Previous year figures have been regrouped/ reclassified wherever necessary.





Particulars	As at	As at
	March 31, 2022	March 31, 2021
4A Borrowings : non-current*		
Secured	208.53	159.38
-From	74.60	-
-From	283.13	159.38

Particulars	Rate of Interest (p.a)	Maturity	Terms of Repayment	Nature of Security	As at March 31, 2022	As at March 31, 2021
Secured borrowings						
CAR LOAN- AXIS BANK LTD.	9.20%	10.06.222	Axis Bank Loan has sanctioned vehicle Loan of Rs 67 lacs for vehicle purchased in 2019 and is repayable in 36 Monthly installments starts from July 2019	Security : by way of hypothecation of Vehicle in favour of Axis Bank Ltd.	-	5.95
CAR LOAN- BMW FINANCIAL SERVICES LIMITED	9.25%	01.04.2025	BMW Financial Services has sanctioned vehicle Loan of Rs 1 Crore for vehicle purchased in 2021 and is repayable in 48 Monthly installments starts from May-2021	Security : by way of hypothecation of Vehicle in favour of BMW Financial Services Ltd.	74.60	-
CAR LOAN- ICICI BANK LTD.	9.75%	01.04.2022	ICICI Bank Ltd. has sanctioned vehicle Loan of Rs 7Lakhs for vehicle purchased in 2021 and is repayable in 36 Monthly installments starts from May 2019	Security : by way of hypothecation of Vehicle in favour of ICICI BANK LTD. Services Ltd.	-	0.22
Truck Loan- HDFC BANK LTD.-260896	6.76%	01.02.2025	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.85.92Lakhs for vehicles purchased in 2022 and is repayable in 37 Monthly installments starts from Feb 2022	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD. Services Ltd.	31.30	-
Truck Loan- HDFC BANK LTD.-272775	7.25%	10.05.2024	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.86.65 Lakhs for vehicles purchased in 2022 and is repayable in 37 Monthly installments starts from May 2022	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD. Services Ltd.	32.73	-
Truck Loan- HDFC BANK LTD.-354600	9.52%	10.12.2023	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.108.00 Crore for vehicles purchased in 2021 and is repayable in 35 Monthly installments starts from Feb 2021	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD. Services Ltd.	42.55	60.04
Truck Loan- HDFC BANK LTD.-902920	9.51%	05.10.2022	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.275.05 Crore for vehicles purchased in 2019 and is repayable in 35 Monthly installments starts from Dec 2019	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD. Services Ltd.	71.60	69.58
Truck Loan- HDFC BANK LTD.-1009425	9.10%	01.04.2022	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.316.95 Crore for vehicles purchased in 2019 and is repayable in 35 Monthly installments starts from May-2019	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD. Services Ltd.	30.35	23.59
Total Secured Borrowings					283.13	159.38





Particulars

Note-54B

Borrowings: current

Secured

From Bank  
 From others

7,151.86  
 18.30

6,276.87

Unsecured

From Directors  
 From Corporate

2,340.43  
 300.00  
 9,810.59

2,180.75  
 -  
 6,457.42

Particulars	Rate of Interest (p.a)	Maturity	Terms of Repayment	Detail of Security/Guarantee	31.03.2022	31.03.2021
<b>Secured Borrowings</b>					128.19	126.06
DBS Bank CC Limit	7.65%		Mutual Agreement	<b>Primary Security:-</b> 1. First pari-passu charge on entire current assets of the borrower both present and future. 2. Pari passu charge on movable fixed assets of the borrower both present and future (other than exclusively charges to other lenders) - <b>Collateral Security:-</b> 1. Exclusive charge on commercial property at DAG No 332, 334 patta No-32,22, 24, Vill-khanapara, Mouza-Beltola, Dist Kamrup, Assam-781022. 2. Exclusive charge on S.G. Narayana Layout, Doddabylkhane, Division No 43, Ward No. 48, Chamarajpet Range, Bangalore. 3. Exclusive charge on Commercial property at Guwahati -DAG No 1, Special KP Patta-1, Vill-fatasil NC, Mouza-Jalukbari, Dist Kamrup, Assam-781013. 4. Exclusive charge on Shop No. 38, New Qutab road, New Delhi. 5. Exclusive charges on Commercial property at plot No. 21, Block-A, Shyam Enclave, Loni Ghaziabad owned by propmoter Mr. Sunil Kumar Jain. 6. Negative Lien on Commercial property at Guwahati - DAG No. 1, Special KP Patta - 1, Vill- Fatasil NC, Mouza- Jalukbari, Dist - Kamrup, Guwahati, Assam - 781013	2,350.00	2,350.00
	7.65%		Maximum upto 90 Days			
KOTAK Mahindra Ltd. CC Limit	7.85%		Mutual Agreement	<b>Primary Security:-</b> 1. First pari-passu charge on entire current assets of the borrower both present and future with DBS Bank Ltd. <b>Collateral Security:-</b> 1. First and exclusive charges on Commercial property-9062/XII (part), Ram Bagh Road, Azad market, Delhi-110055 owned by Shreyans Buildwell P. Ltd. 2. First and exclusive charges on residential property bearing C-3/15, Ashok Vihar, Phase-II, Delhi-110052 owned by Sh. Sunil Kumar Jain and Smt Vanya Jain	3,590.02	2,845.88
KOTAK Mahindra Ltd. -DLOD I	7.85%		Mutual Agreement		233.60	284.60
KOTAK Mahindra Ltd. -DLOD II	7.85%		Mutual Agreement		233.60	284.60
KOTAK Mahindra Ltd. -CCL	7.75%	05.06.2026	CCL EMERGENCY LOAN		500.00	-
KOTAK Mahindra Ltd. -CC Limit Branches	7.85%		Mutual Agreement		0.70	-
CAR LOAN- AXIS BANK LTD.	9.20%	10.06.222	Axis Bank Loan has sanctioned vehicle Loan of Rs 67 lacs for vehicle purchased in 2019 and is repayable in 36 Monthly installments starts from July 2019	Security : by way of hypothecation of Vehicle in favour of Axis Bank Ltd.	5.95	23.93
CAR LOAN- BMW FINANCIAL SERVICES LIMITED	9.25%	01.04.2025	BMW Financial Services has sanctioned vehicle Loan of Rs 1 Crore for vehicle purchased in 2021 and is repayable in 48 Monthly installments starts from May-2021	Security : by way of hypothecation of Vehicle in favour of BMW Financial Services Ltd.	18.30	-
CAR LOAN- ICICI BANK LTD.	9.75%	01.04.2022	ICICI Bank Ltd. has sanctioned vehicle Loan of Rs 7Lakhs for vehicle purchased in 2021 and is repayable in 36 Monthly installments starts from May 2019	Security : by way of hypothecation of Vehicle in favour of ICICI BANK LTD, Services Ltd.	0.22	2.54
Truck Loan- HDFC BANK LTD -260996	6.76%	01.02.2025	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.86.92Lakhs for vehicles purhased in 2022 and is repayable in 37 Monthly installments starts from Feb 2022	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD, Services Ltd.	51.36	-
Truck Loan- HDFC BANK LTD -272775	7.25%	10.05.2024	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.86.65 Lakhs for vehicles purchased in 2022 and is repayable in 37 Monthly installments starts from May 2022	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD, Services Ltd.	32.42	-



Loan- HDFC BANK -354600	9.52%	10.12.2023	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.108.00 Crore for vehicles purchased in 2021 and is repayable in 35 Monthly installments starts from Feb 2021	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD. Services Ltd.	25.80	42.55
Truck Loan- HDFC BANK LTD.-902920	9.51%	05.10.2022	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.275.05 Crore for vehicles purchased in 2019 and is repayable in 35 Monthly installments starts from Dec 2019	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD. Services Ltd.		108.55
Truck Loan- HDFC BANK LTD.-1009425	9.10%	01.04.2022	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.316.95 Crore for vehicles purchased in 2019 and is repayable in 35 Monthly installments starts from May-2019	Security : by way of hypothecation of Vehicle in favour ofHDFC BANK LTD. Services Ltd.		126.25
Truck Loan- HDFC BANK LTD.-206285	8.61%	01.03.2021	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.63.65 Lakhs for vehicles purchased in 2018 and is repayable in 35 Monthly installments starts from Mar 2019	Closed as on 31.03.2022		4.12
Truck Loan- HDFC BANK LTD.-915070	8.91%	30.09.2021	HDFC Bank Ltd. has sanctioned vehicle Loan of Rs.281.15 Crore for vehicles purchased in 2018 and is repayable in 35 Monthly installments starts from Sept-2018	Closed as on 31.03.2022		75.59
<b>Unsecured Borrowings.</b>						
Loan from related parties	Interest Free		All the loan have been taken from the directors and are repayable on the terms as mutually decided between the parties.	Unsecured borrowings	2,340.43	2,180.75
Corporate Loan	Interest Free		Loan has been taken from Dhankalash Distributors Private Limited and are repayable on the terms as mutually decided between the parties.	Unsecured borrowings	300.00	
<b>Total current borrowings</b>					<b>9,810.59</b>	<b>8,457.42</b>





Note-55  
NORTH EASTERN CARRYING CORPORATION LIMITED

Ration Analysis (2021-22)		REMARKS			
Sl. No.	Particulars	Formula	Financial Year 2021-22	Financial Year 2020-21	% Variance
1	Current Ratio	Current Assets / Current Liability	1.77	1.79	(0.94)
2	Debt-to-Equity Ratio	Debts (Long Term and Short Term) / Equity Shareholder Fund	1.02	0.91	12.15
3	Debt Service Coverage Ratio	EBIT / Interest+Principal	0.74	0.66	12.69
4	Return on Equity Ratio	Net Income / Shareholder's Equity	0.04	0.02	182.22
5	Inventory Turnover Ratio	Cost of Goods Sold / Avg Inventory	NA	NA	-
6	Receivables turnover	Sales / Trade Receivable	2.37	2.21	7.04
7	Trade Payable Turnover Ratio	Sales / Trade Payable	71.03	57.88	22.73
8	Net Capital Turnover Ratio	Sales/Average Working Capital	0.75	0.74	1.49
9	Net Profit Margin Ratio	Net Income / Net Sales	1.68	0.62	171.42
10	Return on Capital Employed	EBIT/ Total Assets - Current Liabilities	0.11	0.08	34.99
11	Return on Investment	EBIT/Average Operating Assets	1.45	1.05	38.99

There is no significant variation in the current ratio as compared to preceding year.

During FY 2021-2022, the debt of the Company in comparison with Equity has increased as compared to preceding year. The borrowings have increased as the Company had to fund higher working capital and higher amounts for vehicles requirements. Significantly, the profitability of the Company has increased despite higher debt as compared to last year.

There is no significant variation in the ratio as compared to preceding year.

The ratio has improved as compared to preceding year. The profitability of the Company has improved during FY 2021-2022 as compared to FY 2020-2021 which was impacted due to Covid-19.

There is no significant variation in the ratio as compared to preceding year.

The ratio has improved as compared to preceding year.

There is no significant variation in the ratio as compared to preceding year.

The ratio has improved as compared to preceding year. The performance and profitability of the Company has improved during FY 2021-2022 as compared to FY 2020-2021 which was impacted due to Covid-19.

The ratio has improved as compared to preceding year. The profitability of the Company has improved during FY 2021-2022 as compared to FY 2020-2021 which was impacted due to Covid-19.

The ratio has improved as compared to preceding year. The profitability of the Company has improved during FY 2021-2022 as compared to FY 2020-2021 which was impacted due to Covid-19.





**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes to the Financial Statements for the year ended March 31, 2022  
*(All amounts in INR Lakhs, unless otherwise stated)*

**56 Financial instruments**

(i) Fair values hierarchy  
Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Fair value of instruments measured at amortised cost  
Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2022		March 31, 2021	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	9,030.33	9,030.33	7,192.60	7,192.60
Trade receivable	Level 3	10,585.98	10,585.98	10,433.43	10,433.43
Cash and cash equivalents	Level 3	766.48	766.48	553.04	553.04
<b>Total financial assets</b>		<b>20,382.79</b>	<b>20,382.79</b>	<b>18,179.07</b>	<b>18,179.07</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	10,093.72	10,093.72	8,616.80	8,616.80
Trade payables	Level 3	352.56	352.56	398.41	398.41
Other financial liabilities	Level 3	1,447.02	1,447.02	1,151.91	1,151.91
<b>Total financial liabilities</b>		<b>11,893.30</b>	<b>11,893.30</b>	<b>10,167.12</b>	<b>10,167.12</b>



The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Other non-current financial assets and non-current borrowings bear a market interest rate and hence their carrying amounts are also considered a reasonable approximation of their fair values.

iv) Financial instruments by category

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	-	-	281.06	-	-	291.68
Loan - security deposits	-	-	354.79	-	-	314.25
Loan - employees	-	-	8,394.48	-	-	6,586.66
Loan - Other	-	-	-	-	-	-
Other financial assets	-	-	10,585.98	-	-	10,433.43
Trade receivables	-	-	766.48	-	-	553.04
Cash and cash equivalents	-	-	-	-	-	-
<b>Total</b>			<b>20,382.79</b>			<b>18,179.07</b>
<b>Financial liabilities</b>						
Borrowings	-	-	10,093.72	-	-	8,616.80
Trade payable	-	-	352.56	-	-	398.41
Other financial liabilities	-	-	1,447.02	-	-	1,151.91
<b>Total</b>			<b>11,893.30</b>			<b>10,167.12</b>

56 B Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.





**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks

**Credit risk management**

*Credit risk rating*

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different

- A: Low
- B: Medium
- C: High

**NORTH EASTERN CARRYING CORPORATION LIMITED**

Notes to the Financial Statements for the year ended March 31, 2022

(All amounts in INR Lakhs, unless otherwise stated)

Assets under credit risk –	Particulars	March 31, 2022	March 31, 2021
	Credit rating		
			Low
	Loans	9,030.33	7,192.60
	Cash and cash equivalents	766.48	553.04
	Trade receivables	10,585.98	10,433.43

*Cash & cash equivalents and bank deposits*  
Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

*Trade receivables*

Company's trade receivables are considered of high quality and accordingly expected credit losses are recognised on such receivables.





Other financial assets measured at amortised cost  
 Other financial assets measured at amortized cost includes advances to employees. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**B) Liquidity risk**  
 Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.  
 Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**  
 The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	1-5 year	More than 5 years	Total
<b>31 March 2022</b>				
Borrowings	7,170.16	283.13	2,640.43	10,093.72
Trade payable	219.22	133.34	-	352.56
Other financial liabilities	1,190.53	256.49	-	1,447.02
<b>Total</b>	<b>8,579.91</b>	<b>672.96</b>	<b>2,640.43</b>	<b>11,893.29</b>
<b>31 March 2021</b>				
Borrowings	6,276.67	159.38	2,180.75	8,616.80
Trade payable	198.35	200.06	-	398.41
Other financial liabilities	1,151.91	-	-	1,151.91
<b>Total</b>	<b>7,626.93</b>	<b>359.44</b>	<b>2,180.75</b>	<b>10,167.12</b>

**C) Market risk**



a) **Interest rate risk**  
The Company is not exposed to changes in market interest rates as all of the borrowings are at fixed rate of interest. Also the Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

b) **Price risk**  
**Exposure**  
The Company's exposure to price risk arises is nil

57 **Segment information**  
Company has operated only single segment namely Transport of goods by road hence no segmentwise reporting is required.

As per our report of even date attached.

For Nemani Garg Agarwal & Co.

Firm Regn. No. 010192N  
Chartered Accountants



S.K. Nemani  
Partner  
M.No.: 037222  
UDIN:- 22037222

Place: New Delhi  
Date: 30.05.2022

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

Sunil Kumar Jain  
Managing Director  
DIN : 00010695

Utkarsh Jain  
Director  
DIN : 05271884

Mamta Bisht  
Company Secretary  
M. No. 30347

S. L. Yadav  
CFO