

# NORTH EASTERN CARRYING CORPORATION LIMITED

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9062/47 Ram Bagh Road

Azad Market, Delhi 110006

North Eastern Carrying Corporation Limited

# NORTH EASTERN CARRYING CORPORATION LIMITED

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## Corporate Information

### Board

Mr. Jaswant Rai Jain  
Mr. Sunil Kumar Jain  
Mr. Sanjeev Jain  
Mr. Roshan Dabriwal  
Mr. Manoj Kumar Jain  
Mr. Mohak Jain  
Mr. Utsav Jain

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

### **Registered Office**

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

### **Corporate Office**

**"NECC HOUSE"**  
9062/47, Ram Bagh Road,  
Azad Market, Delhi-1100 06  
Ph: +91-23517516-19  
Fax: +91-23527700, 23516102  
Email: [co@neccgroup.com](mailto:co@neccgroup.com)  
Web: [www.neccgroup.com](http://www.neccgroup.com)

### **Bankers**

Oriental Bank of Commerce  
Kotak Mahindra Bank Limited  
State Bank of India

### **Depositories**

NSDL  
CDSL

### **Registrar & Share Transfer Agent**

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

### **Credit Rating Agency**

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

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9062/47 Ram Bagh Road

Azad Market, Delhi 110006

**North Eastern Carrying Corporation Limited**

# NORTH EASTERN CARRYING CORPORATION LIMITED

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## Management

### Top Management

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

Vice President  
General Manager  
Dty. General Manager  
Asth. General Manager  
Asth. General Manager

### Functional Head

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

Manager Accounts  
Manager IT  
Manager Administration



# NORTH EASTERN CARRYING CORPORATION LIMITED

## ATTENDANCE SLIP- 27<sup>TH</sup> ANNUAL GENERAL MEETING

(To be handed over at the entrance of the meeting venue.)

Name of the attending Member: \_\_\_\_\_  
Name of the proxy: \_\_\_\_\_  
No. of share held: \_\_\_\_\_ (\_\_\_\_\_ equity shares)  
Ledger Folio no: \_\_\_\_\_  
DP ID/Client ID no: \_\_\_\_\_

I hereby record my presence at the Annual General Meeting on 30<sup>th</sup> August, 2012 at 11:00 am at the registered office of the company at 9062/47, Ram Bagh Road, Azad Market, Delhi- 110006.

Member's signature \_\_\_\_\_

Proxy Signature \_\_\_\_\_

Shareholder/proxies are requested to bring the attendance slip with them. Duplicate slip will not be issued. Signature (s) of member (s) should tally with specimen signature (s) registered with the company.

----- Tear Here -----

## PROXY FORM- 27<sup>TH</sup> ANNUAL GENERAL MEETING

(To be reach at the registered office before 48 hrs of the time fixed for meeting)

I/we, \_\_\_\_\_ resident of \_\_\_\_\_ being a member(s) of NORTH EASTERN CARRYING CORPORATION LIMITED Hereby appoint Mr. \_\_\_\_\_ resident of \_\_\_\_\_ as my/our proxy to attend and vote for me/ us on my/ our behalf at the Annual General Meeting on 30<sup>th</sup> August, 2012 at 11:00 am at the registered office at 9062/47, Ram Bagh Road, Azad Market, Delhi-06, of the company.

No. of shares held: \_\_\_\_\_  
Ledger Folio no: \_\_\_\_\_  
DP ID/Client ID no: \_\_\_\_\_

Affix Re. 1/-  
Revenue  
Stamp

Members Signature \_\_\_\_\_

Date:  
Place:

9062/47 Ram Bagh Road  
Azad Market, Delhi 110006

North Eastern Carrying Corporation Limited

# NORTH EASTERN CARRYING CORPORATION LIMITED

## DIRECTORS REPORT

### TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Twenty-Seventh Annual Reports on the business and operation of the Company and the Audited Statement of Accounts for the year ended March 31st, 2012.

#### 1. FINANCIAL PERFORMANCE

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

(Rs. Rupees)

Particulars	For the year ended	
	31.03.2012	31.03.2011
Profit before Depreciation & Income Tax	113817264	103683270
Less: Depreciation	33511274	30952727
Profit after depreciation	80305990	72730543
Less: Provision for:		
Income Tax	29252040	22043455
Wealth Tax	25000	25000
Less/ Add: Deferred tax Saving/Liability	2255479	(2028838)
Add/Less : Previous year adjustment	(540369)	513086
Profit After Taxation	52744060	49146336
Add: Profit brought Forward	172106308	122959972
Balance Carried over to Balance Sheet	224850368	172106308

#### 2. DIVIDEND

Your Company needs capital for its expansion plans, therefore the board has decided to invest the profit into the operation of the Company. Hence, no dividend is recommended for the year ended 31st March, 2012.

#### 3. DIRECTORS

Mr. Mohak Jain and Mr. Roshan Dabriwal, Directors of the Company retire by rotation and being eligible, offer there selves for re-appointment. Their re-appointment is subject to the approval of members at the ensuing Annual General Meeting.

#### 4. AUDITORS REPORT

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

#### 5. AUDITORS

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

#### 6. PUBLIC DEPOSITS

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

# NORTH EASTERN CARRYING CORPORATION LIMITED

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

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

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

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

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

The listing fee for 2012-13 has been paid and there being neither de-listing nor suspension of shares from Trading during the year under review.

## 9. PARTICULARS OF EMPLOYEES:

Particulars as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are NIL since none of the employees during the year has earned a monthly remuneration of Rs, 5,00,000/- or more.

## 10. DIRECTORS QUALIFICATION U/s. 274(1)(G):

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

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

- (a) The applicable accounting standards along with proper explanations relating to material departures have been followed in the preparation of the annual accounts.
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31st, 2012 and of the Profit/Loss of the Company for the year ended March 31st, 2012.
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The directors have prepared the annual accounts on a going concern basis.

## 12. CORPORATE GOVERNANCE:

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

## 13. ACCOUNTING STANDARDS:

The Institute of Chartered Accountants of India has introduced various Accounting Standards to make the financial statements and disclosures in line with the international accounting practices and disclosures. The main accounting standards implemented by your company are AS 18 - Related Party Disclosure, AS 20 - Earning per Shares and AS 22 - Accounting for Taxes on Income. There is nothing to be disclosed under AS 17, Segment Reporting since there is no business segment of geographical segments which a reportable segment is based on the definitions, contained in the accounting standard.

# NORTH EASTERN CARRYING CORPORATION LIMITED

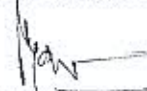
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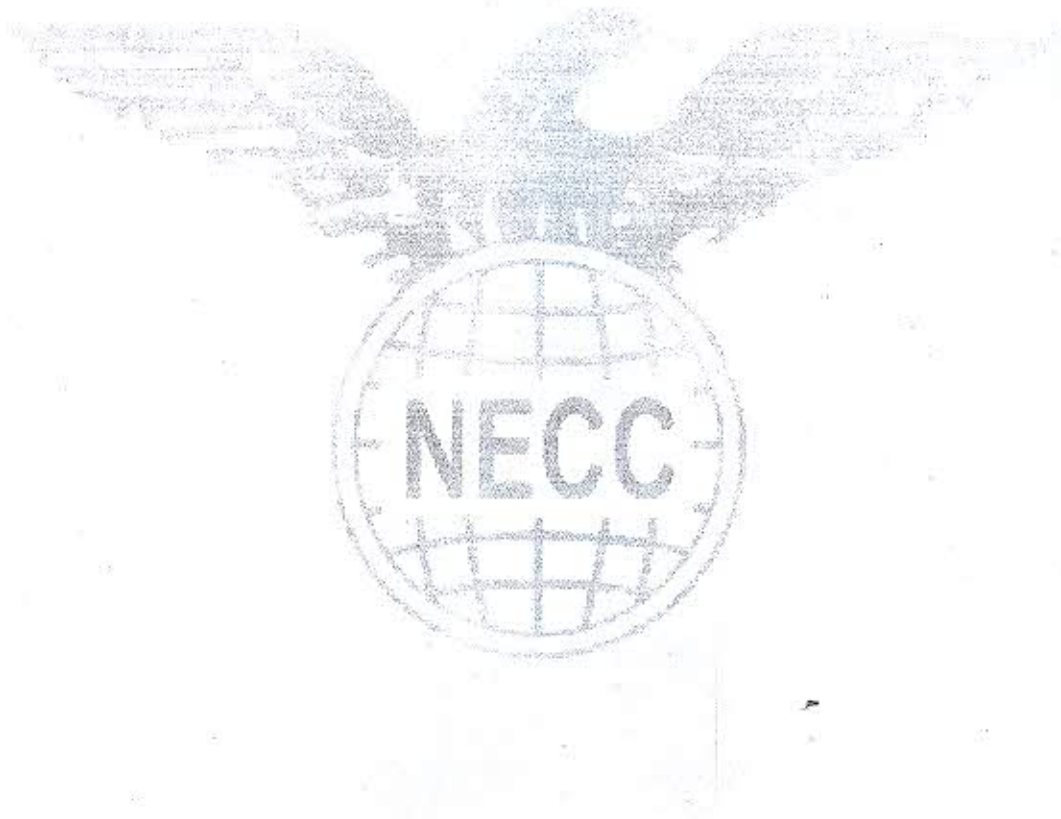
## 14. ACKNOWLEDGEMENT

The directors acknowledge the dedicated services of the employees of the Company during the year under review:

On behalf of the Board of Directors of  
North Eastern Carrying Corporation Limited

Place: Delhi  
Date: 30<sup>th</sup> May, 2012

  
Sunil Kumar Jain  
(Chairman)



# NORTH EASTERN CARRYING CORPORATION LIMITED

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

### PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

### BOARD OF DIRECTORS

#### Composition & Category as on March 31<sup>st</sup>, 2012

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

Composition, Category and attendance of each director as on March 31<sup>st</sup>, 2012 including retired/resigned, at the Board Meetings and the last Annual General Meeting.

Name	Position	Category	Particulars of Change		Attendance		No. of Directorship in other public company	No. of Committee position held in other public company	
			Appt.	Resig.	BM	Last AGM		Chairman	Member
Sh. Sunil Kumar Jain	Chairman & Managing Director	Executive	10.10.94	-	23	Yes	3	-	7
Sh. Jaswant Rai Jain	Director	Executive	30.09.95	-	-	-	-	-	-
Sh. Praveen Jain	Director	Executive	03.01.86	15.11.2011	-	-	1	-	-
Sh. Sanjeev Jain	Director	Executive	10.10.94	-	18	Yes	1	-	-
Sh. Roshan Dabriwal	Director	Non-Ex & I	18.09.04	-	21	Yes	3	-	-
Sh. Manoj Kumar Jain	Director	Non-Ex & I	24.03.09	-	22	Yes	2	-	-
Sh. Mohak Jain	Director	Non-Ex & I	15.10.09	-	15	-	1	-	-
Sh. Utsav Jain	Director	Non-Ex & I	04.01.11	-	16	-	1	-	-

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

#### NOTE:

- Private Limited Companies, Foreign Companies and Companies constituted under section 25 of the companies Act, 1956 are excluded for the above purpose.
- Only Audit Committee and Share Transfer/Investors Grievance Committee are considered for the purpose of Committee positions as per Listing Agreement.



# NORTH EASTERN CARRYING CORPORATION LIMITED

- c) None of the Director is a member of more than ten Board level committees or a chairman of five such committees as required under clause 49 of the listing agreement.
- d) None of the independent directors is related to any other directors. None of the independent directors has any business relationship with the Company.

## Board Meeting Held

During the year the Board of Directors of North Eastern Carrying Corporation Limited met 23 times i.e. 08.04.2011, 09.04.2011, 04.05.2011, 30.05.2011, 11.07.2011, 13.07.2011, 14.07.2011, 23.07.2011, 25.07.2011, 02.08.2011, 04.08.2011, 12.08.2011, 16.08.2011, 07.09.2011, 10.10.2011, 17.10.2011, 11.11.2011, 15.11.2011, 24.11.2011, 09.01.2012, 28.01.2012, 05.03.2012 and 21.03.2012 on the maximum gap between any two meetings was not more than four months.

## BOARD COMMITTEE

### AUDIT COMMITTEE

The terms of reference of the Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The composition of the committee as on 31<sup>st</sup> March 2012 is as under:

Members	Designation	Category (as Director)	Particulars of Change		No. of meeting attended
			Appointment	Resignation	
Sh. Roshan Dabriwal	Chairman	Non-Ex & I	18.09.2004	-	5
Sh. Manoj Kumar Jain	Member	Non-Ex & I	24.03.2009	-	5
Sh Mohak Jain	Member	Non-Ex & I	31.08.2010	-	5

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

During the year the committee has met 5 times on 03.04.2011, 26.05.2011, 08.08.2011, 09.11.2011 and 09.02.2012. The minutes of the Audit Committee were placed before the Board.

### REMUNERATION COMMITTEE

In compliance with Schedule XIII of the Companies Act, 1956, relating to appointment of Director, Remuneration Committee was constituted on September 18<sup>th</sup> 2004 by Board of Directors. The composition of the committee as on 31<sup>st</sup> March 2012 is as under:

Members	Designation	Category (as Director)	Particulars of Change		No. of meeting attended
			Appointment	Resignation	
Sh. Roshan Dabriwal	Chairman	Non-Ex & I	18.09.2004	-	4
Sh. Manoj Kumar Jain	Member	Non-Ex & I	24.03.2009	-	4
Sh Mohak Jain	Member	Non-Ex & I	31.08.2010	-	4

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

Remuneration Committee meeting was held on 05.04.2011, 29.07.2011, 26.10.2011 and 23.01.2012. The committee has review the remuneration paid to the director of the Company and not recommended any change.

### Remuneration of Directors

Details of remuneration paid to directors during 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012 & part thereof:

Name	Designation	Salary	Commission	Sitting Fees
Sh. Jaswant Rai Jain	Director	Nil	Nil	Nil
Sh. Sunil Kumar Jain	Director	24,00,000/-	Nil	Nil
Sh. Sanjeev Jain	Director	Nil	Nil	Nil
Sh. Roshan Dabriwal	Director	Nil	Nil	Nil
Sh. Manoj Kumar Jain	Director	Nil	Nil	Nil
Sh. Mohak Jain	Director	Nil	Nil	Nil
Sh. Utsav Jain	Add. Director	Nil	Nil	Nil

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

# NORTH EASTERN CARRYING CORPORATION LIMITED

## SHAREHOLDERS/INVESTORS GRIEVANCES & SHARE TRANSFER COMMITTEE

The Board of Directors of the company has constituted Shareholders/Investors Grievances committee. The composition of the committee as on 31<sup>st</sup> March 2012 is as under:

Members	Designation	Category (as Director)	Particulars of Change		No. of meeting attended
			Appointment	Resignation	
Sh. Roshan Dabrial	Chairman	Non-Ex & I	18.09.2004	-	5
Sh. Manoj Kumar Jain	Member	Non-Ex & I	24.03.2009	-	5
Sh. Mohak Jain	Member	Non-Ex & I	31.08.2010	-	5

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

During the year the committee has met 5 times on 03.04.2011, 09.06.2011, 06.08.2011, 24.11.2011 and 10.02.2012. The minutes of the Committee were placed before the Board.

Committee looks into shareholders complaints like transfer, transmission of shares, etc. The Committee also looks after the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services.

### Procedures at Committee Meetings

Company's guidelines relating to Board Meetings are applicable to Committee Meetings as far as may be practicable. Minutes of the proceedings of each of the Committee meeting shall be placed before the Board for its perusal and noting.

### GENERAL BODY MEETING

#### Annual General Meetings:

Year	Location	Date	Time	Details of Special Resolution (s)
2010-11	9062/47, Ram Bagh Road, Azad Market, Delhi-06	02.09.11	10:30 AM	No Special Resolution
2009-10	9062/47, Ram Bagh Road, Azad Market, Delhi-06	31.08.10	10:30 AM	No Special Resolution
2008-09	9062/47, Ram Bagh Road, Azad Market, Delhi-06	30.09.09	10:30 AM	No Special Resolution

#### Extraordinary General Meeting:

There was no Extraordinary General Meeting held during the year from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012.

### DISCLOSURES

- None of the transactions of material nature with any of the related parties was in conflict with the interest of the Company at large.
- The Company has no litigation with SEBI & DSE for non-compliance of any of regulations wide SEBI (SAST) Regulation 1997, SEBI (Prohibition of insider Trading) Regulation 2002 and Clause 40A of Listing agreement. The Company is, however, complying the provision of Clause 40A of Listing Agreement. No penalties were imposed or strictures passed on the Company by Stock Exchanges, SEBI or by any Statutory Authority related to Capital Market.
- The Company is duly incorporated the changes made Listing Agreement and same has been reflecting in the disclosures made at the end of last quarter i.e. 31<sup>st</sup> March 2012.

# NORTH EASTERN CARRYING CORPORATION LIMITED

## MEANS OF COMMUNICATION

Half yearly report sent to each household of Shareholder	-No
Quarterly Results, in which newspaper normally published	-FinancialExpress/ Jansatta
Any Website, where displayed	-www.neccgroup.com
Whether it also displays official news releases and	-No
Presentations made to institutional investors/ Analysts	-No
Whether MD & A is a part of Annual Report	-Yes
Whether Shareholder Information section forms part of the Annual Report	-Yes

## GENERAL SHAREHOLDER INFORMATION

### 1. Annual General Meeting:

The 27<sup>th</sup> Annual General meeting of the company will be held on 30<sup>th</sup> August, 2012 at 11:00 am, at the registered office of the company at 9062/47, Ram Bagh Road, Azad Market, Delhi-06

### 2. Financial Calendar:

Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Financial Year (under review)	1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2012
Result for quarter ending 30 <sup>th</sup> June 11	Latest by 15 <sup>th</sup> August 2011
Result for quarter ending 30 <sup>th</sup> September 11	Latest by 15 <sup>th</sup> November 2011
Result for quarter ending 31 <sup>st</sup> December 11	Latest by 15 <sup>th</sup> February 2012
Result for quarter ending 31 <sup>st</sup> March 12	Latest by 30 <sup>th</sup> May 2012

*(In case company opted to file Audited Financial Account within 60 days from end of financial year, then unaudited result for the last quarter shall be filed with Annual Audited Result with Stock Exchange(s))*

### 3. Book Closure Date:

The register of members and Share transfer register shall remain closed during the 25<sup>th</sup> day of August 2012 to 30<sup>th</sup> day of August 2012 (both days inclusive) for the purpose of Annual General Meeting.

### 4. Listing of Equity shares:

The equity shares of the company is and shall remain listed at:

Delhi Stock Exchange Limited,  
DSE House, 3/L, Asaf Ali Road,  
New Delhi-110002

5. Stock Code: 16093

6. ISIN INE553C01016

### 7. Credit Rating

CRISIL Limited (our credit rating agency) has accredited and assigned +BBB to our various Banking facilities.

### 8. Stock Market Price Data:

During the financial year 2011-12, there was no trading of shares of the company on Delhi stock exchange. Therefore, high and low prices for the period cannot be given.

### 9. Registrar & Share Transfer Agents:

MAS Services Limited, having its office at T-34 IInd Floor, Okhla Industrial Area Phase II, New Delhi-20 is appointed Registrar & Share Transfer agent of the company. Investors' queries/request for transfer, transmission and issue of duplicate share certificates etc. shall be sent to MAS Services Limited.

# NORTH EASTERN CARRYING CORPORATION LIMITED

**10. Share Transfer System:**

Requests for Share Transfer in physical form can be lodged with the Registrar & Share Transfer agents, MAS Services Limited at their address given above. The Share transfers which are received in physical form are registered and the share certificates are returned within 15 to 30 days from the date of receipt, subject to the documents being valid and complete in all respects. Shares under objection are, in general, returned within 7 days.

**11. Nomination facility**

Pursuant to Companies (Amendment) Act, 1999, the members are allowed to nominate any person to whom they desirous of making/changing a nomination in respect of their shareholding in the Company, are requested to submit to the MAS Services Limited the prescribed form 2B for this purpose, which can be furnished MAS Services Limited on request.

**12. Distribution & Categories of Shareholding**

Distribution of shareholding as on 31st March, 2012:

No of Equity Shares held	No. of Shareholders	% of Shareholders	Total no. of Shares held	% of Shareholding
Upto 5000	937	94.84	487809	03.89
5001-10000	Nil	Nil	Nil	Nil
10001-50000	Nil	Nil	Nil	Nil
50001-100000	45	04.56	2671250	21.29
100001-500000	Nil	Nil	Nil	Nil
500001-1000000	2	00.20	1476575	11.76
1000001 and above	4	00.40	7913700	63.06
<b>Total</b>	<b>988</b>	<b>100.00</b>	<b>12549334</b>	<b>100.00</b>

Categories of Shareholding as on 31st March, 2012:

Sr. No.	Category of Holder	No. of Shares	% of Equity
1.	Promoters' Holdings	9390275	74.83
	<b>SUB TOTAL (A)</b>	<b>9390275</b>	<b>74.83</b>
2.	Mutual Funds / UTI	---	--
3.	Banks/Financial Institutions/Insurance Companies (Central/State Govt. Institutions) Non Govt. Institutions	---	--
4.	FII's/ GDR	---	--
	<b>SUB TOTAL (B)</b>	<b>9390275</b>	<b>74.83</b>
5.	Others	---	--
	Corporate Bodies	2492040	19.86
	Indian Public	667019	5.31
	NRI's/OCB's/Foreign Company	---	--
	Any other	---	--
	<b>Sub Total</b>	<b>3159059</b>	<b>25.17</b>
	<b>GRAND TOTAL (A+B)</b>	<b>12549334</b>	<b>100.00</b>

**13. Dematerialization:**

The Company had proceeded towards dematerialized of its equity share and in this behalf company had altered its Articles of Association (AOA) by inserting a new clause 52A and some important definitions in its AOA.

**14. Outstanding GDR/ ADRs/Warrants/Options:**

There are no outstanding GDRs/ ADRs/Warrants/ Options or any convertible instruments.

**15. Details on use of public funds obtained in the last three years:**

No funds have been raised from the public since the last three years.

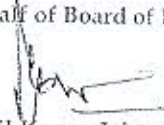
# NORTH EASTERN CARRYING CORPORATION LIMITED

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16. Transfer of unclaimed amounts to Investor Education and Protection Fund:  
No amount was transferred to Investor Education and Protection Fund during the year 2011-12

17. Address for Correspondence  
9062/47, Ram Bagh Road  
Azad Market, Delhi - 110006  
Email: [co@neccgroupp.com](mailto:co@neccgroupp.com)

For and on behalf of Board of Directors

  
Sunil Kumar Jain  
(Chairman)

Place: Delhi  
Date: 30<sup>th</sup> May, 2012



# NORTH EASTERN CARRYING CORPORATION LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

(As per clause 49 of listing agreement)

### INDIAN ROAD TRANSPORT INDUSTRY

The road transport and logistics market is one of the key sector of growth of the Indian economy. Diversifying from the unorganized sector to the well managed/organized sector, the transport sector playing very significant role in the development of India economy.

The transport industry is growing at around 16-18%, resulting in overall market size greater than 100 billion dollars. The roads are the dominant mode of transportation in India today. They carry almost 90 percent of the country's passenger traffic and 65 percent of its freight. The total length of Indian road network is approximately 33.00 lacs km. out of which approx 32% is single lane, 56% is double lane and rest is four of more lane standard. The country had only 1.95 lacs km of national (state & national) highway.

### OPERATION AND FUTURE OUTLOOK

Founded in 1984, the company started the business of core transportation & carriage of goods in FTL and Parchoon segment in 1999-2000. Since then it never looks back and achieved its target turnover for the financial year 2011-12. During the period the company had not only enhanced its turnover but also its client base and its fleet.

The company's strategy is well thought of and in line with domestic market trend and industry. The company is growing its traditional parchoon (retail) market and simultaneously spreading and picking the FTL market segment. The new clients have been introduced and associated with our services. The Company is broadening and condensing its market through out the Indian subcontinent, Nepal and Bhutan.

### STRENGTH, WEAKNESSES, OPPORTUNITIES & THREATS (SWOT)

The government concentration & concern over infrastructural development of country booms the growth opportunity and productivity of associated industries which ultimately increases the possible growth of transport industry. In the recent union budget allocation of Road Transport and Highways Ministry enhanced by 14 per cent to Rs. 25,360 crore. It clearly describes the importance & concerns of road transportation and its infrastructure over the economy and industry.

The Indian Road transport industry is on a tremendous growth path however, there is certain thing which determines the Company's growth as enumerated as a SWOT analysis on the Company:

#### Strength:

- The large geographic spread of operation not only in urban areas but also in rural and remote unprivileged areas of the country.
- Large customer base of big business houses as well as remote retails.
- Experienced and committed workforce associated with the company since last 10-35 years.
- The diversify services in form of FTL, Parchoon loading and household segment through its packers and movers division.
- The company's brand loyalty and visibility in the market.

#### Weaknesses:

- Gradual increase in price of crude oil globally, it raises an unexpected running cost.
- Government proposal for uplifting of subsidy to petro product may further increase the running cost of the company.
- Increased competitive pressure resulting in wage inflation due to increases competition for experienced and skilled human resources as well freight rate due to immense competition from other companies.
- Breakdowns in telecom links, land sliding, cyclones and floods during rainy season or other natural disaster could temporarily impact over quality of services.

# NORTH EASTERN CARRYING CORPORATION LIMITED

- Constant socio-communal riot in eastern & north eastern territories and other parts of India becomes major hindrance in quality of services and profitability of the company.
- Dependency of operation on external source of fund, delays in which might affect the expansion plans and day to day operation of the company.

## Opportunities

- Increased demand of 3PL (third party Logistics). The improving infrastructure and rising focus on core business operations will lead the future growth of the Indian 3PL.
- Infrastructural Development Investment policies of Central & State governments shall result in higher growth opportunity for transportation business.
- Successful completion of National Highways Projects shall open up new venues and improved service quality.
- The satellite watch over fleets through GPRS system shall also enhance the timely and prompt delivery of consignments to the prospective clients.
- ERP system under development shall, after its installation, improve the quality of documentation, records, billings etc.
- The increased fleets shall ease the operation.

## Threat

- Damages, accident and theft are matter of concern during voyage.
- Natural disturbance in form of floods, cyclone, landslides in major parts of India.
- Due to above two conditions, the claims from clients increases and inflow of revenue decreases and finally resulted into long legal litigation.

## INTERNAL CONTROL SYSTEM

The Internal control team, reviews and evaluates the adequacy and effectiveness of internal control, ensuring adherence to operating guidelines and statutory requirements. The company has efficient Internal Control Procedure commensurate and adequate with its size and business. This system comprises well documented policies, guidelines and authorization and approval procedures. The company has an Internal Audit department which carries out an extensive audit throughout the year. These audit test the adequacy and effectiveness of the internal controls laid down by the management.

## RISK MANAGEMENT

The Indian transport industry is a growing avenue and widely opens for new entrepreneurs. The Company takes a very extensive view of business risk. The company always keeps itself changing with the changed environment of operation, technology and innovative ideas. The Company has risk management team constituting the professionals and functional specialists who critically examines and audit the adequacy, relevancy, efficiency and effectiveness of the control system, compliance with policies.

## CONTINGENT LIABILITIES

The details of the company's contingent liabilities are given in note no 8 of schedule 14 Attached to and forming part of the Balance Sheet as on 31<sup>st</sup> March 2012.

## CAUTIONARY STATEMENT

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

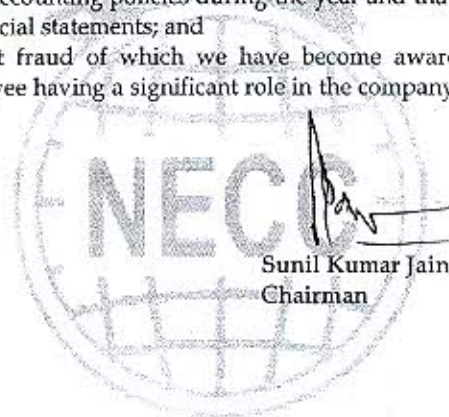
# NORTH EASTERN CARRYING CORPORATION LIMITED

## CERTIFICATE BY EXECUTIVE DIRECTOR AND VICE PRESIDENT

(Pursuant to clause 49(V) of the listing Agreement)

We, Sunil Kumar Jain, Chairman & Executive Director and S.L. Yadav, Vice President heading the finance function certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) 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.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls and have taken steps to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware, and of the involvement of management or employee having a significant role in the company's internal control system over financial reporting.



Sunil Kumar Jain  
Chairman



S.L. Yadav  
Vice President

Place: Delhi  
Date: 30.05.2012





**Sanghi & Co.**

Chartered Accountants

F-7, IInd Floor, 203, Main Road,  
Kalkaji, New Delhi-110019  
Ph: 011-41329617, 9811685010  
E-mail: ca\_rksanghi@yahoo.co.in

**"ANNEXURE B" TO THE DIRECTORS REPORT  
CERTIFICATE ON CORPORATE GOVERNANCE  
(Pursuant to clause 49(VII) of the listing Agreement)**

To  
The Members  
North Eastern Carrying Corporation Limited

We have examined the compliance of conditions of Corporate Governance by North Eastern Carrying Corporation Limited (the company) for the year ended on 31<sup>st</sup> March 2012, as stipulated in Clause 49(VII) of the Listing Agreement of the company with the Stock Exchange.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, and the representation made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that as per the report given by the Registrars of the Company to the Shareholder/investors Grievances Committee, as on 31<sup>st</sup> March, 2012, there was no investor grievance matter against the company remains pending for more than 30 days.

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



For M/s Sanghi & Co.  
Chartered Accountants  
*Ram Kishan Sanghi*  
Ram Kishan Sanghi  
Proprietor  
M. No. 091534

Place: New Delhi  
Date: 30.05.2012


# NORTH EASTERN CARRYING CORPORATION LIMITED

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## CONFIRMATION OF COMPLIANCE OF CODE OF CONDUCT AND ETHICS

I, declares that all Board Members and senior Management have individually affirmed compliance with the code of business conduct and ethics adopted by the company during the year 2011-12. This code of conduct is available at the registered office of the company.

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

  
Sunil Kumar Jain  
Chairman

Place: Delhi  
Date: 30.05.2012





**Sanghi & Co.**

Chartered Accountants

F-7, IInd Floor, 203, Main Road,  
Kalkaji, New Delhi-110019  
Ph: 011-41329617, 9811685010  
E-mail: ca\_rksanghi@yahoo.co.in

#### AUDITOR'S REPORT

We have audited the attached Balance Sheet of NORTH EASTERN CARRYING CORPORATION LIMITED as at March 31<sup>st</sup>, 2012, the attached Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 we annex hereto a Statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the annexure referred to in Paragraphs above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, the Company has kept proper books of account as required by Law, so far as appear from our examination of such books.
- (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account of the company.
- (d) In our opinion, the Statement of Profit and Loss, Balance Sheet and Cash Flow Statement comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of The Companies Act, 1956.
- (e) On the basis of the written representations received from the directors of the company and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31<sup>st</sup>, 2012 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to explanations given to us, the said account read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In the case of the Balance Sheet of the state of affairs of the Company as at March 31<sup>st</sup>, 2012 and
  - (ii) In the case of the Statement of Profit and Loss of the profit of the company for the year ended 31<sup>st</sup> March, 2012
  - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on March 31, 2012

Date: 30.05.2012  
Place: Delhi

For M/s Sanghi & Company  
Chartered Accountants

Firm No: 012619N

(Ram Kishan Sanghi)

Proprietor

M. No. 091534

**NORTH EASTERN CARRYING CORPORATION LIMITED**

Annexure to the Auditors Report of the  
**NORTH EASTERN CARRYING CORPORATION LTD**  
(Referred to in Paragraph 3 of the report of even date)

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.  
(b) All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) During the year, the company has disposed off some of the fixed assets. We are of the opinion that the sale of the said fixed assets has not affected the going concern status of the company.
2. (a) The company is not dealing in any goods therefore there is no physical verification of inventory.  
(b) As already stated, since the company is not dealing any goods, there is no question of procedure of physical verification of stock.  
(c) As already stated, since the company is not dealing in any goods, there is no question of inventory records and physical verification of inventory.
3. (a) The company has not granted, any loans, secured or unsecured, to the companies, firms or other parties covered in the register U/s. 301 of the Companies Act, 1956.  
(b) As the company has not granted any loans, the question of interest being prejudicial to the interest of the company does not arise.  
(c) As the company has not granted any loans, the question of repayment does not arise.  
(d) There are no overdue amount of loans granted, if any, to companies listed in the register maintained under section 301 of the Companies Act, 1956.  
(e) The company has not taken unsecured loans from the companies, firms or other parties covered in the register U/s. 301 of the Companies Act, 1956.  
(f) Since the company has not taken loans from the companies, firms or other parties covered in the register U/s. 301 of the Companies Act, 1956 there is no question of terms and conditions of such loans being prima facie, prejudicial to the interest of the company.  
(g) Since the company has not taken any loans from the companies, firms or other parties covered in the register U/s 301 of the companies Act, 1956, there is no question of repayment of principal or interest being regular.



4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed asset and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangement, if any, referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) According to the information and explanations given to us, there are no such transactions made in pursuance to contracts or arrangements which need to be entered in the register maintained U/s. 301 of the Companies Act, 1956 exceeding the value of Rs.5.00 Lakh in respect of any party during the year.
6. The Company has not accepted any deposits from the public. Therefore, the applicability of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 does not arise.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. Maintenance of cost records has not been prescribed by the Central Government U/s. 209(1)(d) of the Companies Act, 1956.
9. (a) As per information and record produced before us, the company is regular in depositing undisputed statutory dues including Provident Fund, ESI, Professional Tax, TDS, Income Tax, Wealth Tax and Service Tax within time to the appropriate authorities.  
(b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax and Service Tax were in arrears, as at 31.03.2012 for a period of more than six months from the date they become payable.  
(c) According to the information and explanation given to us, there are no dues of Income Tax, Wealth Tax and Service Tax, which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses.
11. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. As per information furnished to us, the company has not granted loans and advances on the basis of security by way of pledge of shares & securities.
13. Clause (xiii) of the order is not applicable to the company as the company is not a chit fund company or mutual benefit society.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



15. As per information furnished to us, the company has not given any guarantee for loans taken by others from bank or financial institution.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no fund raised on short-term basis have been used for long term investment.
18. The company has not made any preferential allotment of shares during the year to the parties covered by Register U/s. 301 of the Companies Act, 1956.
19. During the year, no security or charge have been created in respect of debentures issued.
20. The company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Date: 30.05.2012  
Place: Delhi

For M/s Sanghi & Company  
Chartered Accountants  
Firm No: 012619N  
  
(Ram Kishan Sanghi)  
Proprietor  
M. No. 091534



NORTH EASTERN CARRYING CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Notes	As At	As At
		31.03.2012	31.03.2011
		<u>Amt. In Rs.</u>	<u>Amt. In Rs.</u>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	4	125,493,340	125,493,340
(b) Reserves and Surplus	5	376,800,340	324,056,280
(c) Money received against share warrants		0	0
<b>(2) Share Application money pending allotment</b>		0	0
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	6	27,475,939	35,179,606
(b) Deferred Tax Liabilities (Net)		5,349,097	7,604,576
(c) Other Long Term Liabilities		0	0
(d) Long Term Provisions		0	0
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	7	451,424,924	429,447,014
(b) Trade Payables	8	4,868,823	24,818,868
(c) Other Current Liabilities	9	43,734,948	20,787,982
(d) Short-Term Provisions	10	84,343,010	51,889,353
<b>Total Equity &amp; Liabilities</b>		<b>1,119,490,421</b>	<b>1,019,277,019</b>
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Gross Block	11	312,170,917	310,893,528
(ii) Depreciation		146,369,201	117,460,304
(iii) Net Block		165,801,716	193,433,224
(b) Non-current investments		0	0
(c) Deferred tax assets (net)		0	0
(d) Long term loans and advances	12	46,514,632	44,533,548
(e) Other non-current assets		0	0
<b>(2) Current Assets</b>			
(a) Current investments		0	0
(b) Inventories		0	0
(c) Trade receivables	13	756,941,270	615,151,275
(d) Cash and cash equivalents	14	43,364,170	52,733,921
(e) Short-term loans and advances	15	106,868,633	113,425,051
(f) Other current assets		0	0
<b>Total Assets</b>		<b>1,119,490,421</b>	<b>1,019,277,019</b>

Significant Accounting Policies 1,2,3  
The Notes No. 1 to 38 are integral part of these financial statements.

**Auditor's Report**

As per our separate report of even date attached

For M/s. Sanghi & Company

Chartered Accountants

Firm No: 012619N

Ram Kishan Sanghi

Proprietor

M. No. 091534

Place: Delhi

Date: 30.05.2012



For North Eastern Carrying Corporation Limited

Sunil Kumar Jain  
Managing Director

S. L. Yadav  
Vice President

Manoj Kumar Jain  
Director

Gaurav Verma  
Company Secretary

NORTH EASTERN CARRYING CORPORATION LIMITED

STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH, 2012

PARTICULARS	Notes	As At	As At
		31.03.2012	31.03.2011
		<u>Amt. In Rs.</u>	<u>Amt. In Rs.</u>
<b>INCOME</b>			
Revenue from operations	16	4,773,664,794	4,138,692,592
Other Income	17	4,705,552	6,273,079
<b>Total</b>		<u>4,778,370,346</u>	<u>4,144,965,671</u>
<b>EXPENSES</b>			
Operating/Direct Cost	18	4,411,979,068	3,819,337,041
Purchase of Stock-in-Trade		0	0
Changes in inventories of Finished Goods,WIP & Stock		0	0
Employee Benefit Expenses	19	82,770,127	75,480,317
Financial Costs	20	69,691,521	56,160,835
Depreciation and Amortization Expense	21	33,511,274	30,952,727
Other Administrative Expenses	22	100,112,366	90,304,207
<b>Total</b>		<u>4,698,064,356</u>	<u>4,072,235,128</u>
Profit before exceptional and extraordinary items and tax		80,305,990	72,730,543
Exceptional Items		0	0
Profit before extraordinary items and tax		80,305,990	72,730,543
Extraordinary Items		0	0
Profit before tax		80,305,990	72,730,543
<b>Tax expense:</b>			
(1) Provision for Current tax (Income Tax)		-29,252,040	-22,043,455
(2) Provision for Current tax (Wealth Tax)		-25,000	-25,000
(3) Deferred tax/Deferred Tax Saving		2,255,479	-2,028,838
(4) Provision for tax(Earlier year)		-540,369	513,086
Profit(Loss) from the period from continuing operations		52,744,060	49,146,336
Profit/(Loss) from discontinued operations		0	0
Tax expense of discontinued operations		0	0
Profit/(Loss) from Discontinued operations		0	0
<b>Profit/(Loss) for the period</b>		<u>52,744,060</u>	<u>49,146,336</u>
<b>Earning per equity share:</b>			
(1) Basic		4.20	3.92
(2) Diluted		4.20	3.92

Significant Accounting Policies 1,2,3  
The Notes No. 1 to 38 are integral part of these financial statements.

Auditor's Report  
As per our separate report of even date attached  
For M/s. Sanghi & Company  
Chartered Accountants  
Firm No: 012619N  
(Ram Kishan Sanghi)  
Proprietor  
M. No. 091534

Place: Delhi  
Date: 30.05.2012

For North Eastern Carrying Corporation Limited

Sunil Kumar Jain  
Managing Director

S. L. Yadav  
Vice President

Mandj Kumar Jain  
Director

Gaurav Verma  
Company Secretary



## NORTH EASTERN CARRYING CORPORATION LIMITED

Notes to the financial statements for the year ended March 31, 2012

### 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

- The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP).
- The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956.
- The company follows the Mercantile System of Accounting recognizing Income and Expenditure on accrual basis.
- The directors have certified that there are no outstanding expenses not provided for and nor there are income which have fallen due but not accounted for. The accounts are prepared on historical cost basis and as a going concern.
- The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 3. Summary of significant accounting policies

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### • Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### • Contingent Liabilities

Contingent Liability are disclosed by way of notes in the Balance Sheet.

#### • Fixed Assets

Fixed Assets are stated at cost. Depreciation of fixed assets is calculated at the rates prescribed under Schedule XIV to the Companies Act, 1956.



- **Leases**  
Lease rentals in respect of operating lease arrangements are recognized as an expense in the profit & loss account on accrual basis with reference to lease terms and other considerations.
- **Investment**  
Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.
- **Inventories**  
Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Work in progress and finished goods are valued at lower of cost and net realizable value.
- **Revenue Recognition**  
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- **Income tax**
  - Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
  - Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.
- **Retirement Benefits**
  - **Gratuity:** The company has a defined employee benefit scheme in the form of gratuity. Accordingly gratuity is provided on the basis of calculations made by the company and is payable on the termination of the services of employee.
  - **Provident Fund :** Contribution to the Provident Fund as per provisions of Employees Provident Fund Act 1952 is remitted to the P.F. Commissioner and is charged to the Profit & loss Account.
  - **Leave Encashment :** Leave Encashment benefits (short term compensated absences) are provided on the basis of calculations made by the Company based on average encashable salary of the employee.



**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2012

	As On 31.03.2012 Amt.In (Rs.)	As On 31.03.2011 Amt.In (Rs.)
<b>Note - 4: Share Capital</b>		
<b>Authorized Share Capital :</b>		
13500000 (13500000) Equity Shares of Rs 10 each	135,000,000	135,000,000
<b>Issued, Subscribed and fully paid up shares :</b>		
12549334 (12549334) Equity Shares of Rs 10 each fully paid up	125,493,340	125,493,340

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

At the beginning of the period	12,549,334	12,549,334
Issued during the period	0	0
At the end of the period	12,549,334	12,549,334

**Terms/Rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share.

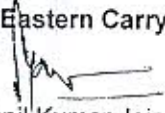
**Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period and during five years immediately preceding the reporting date**

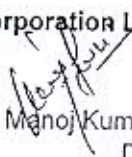
The Company has not issued any bonus shares during the year


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


Jaswant Rai Jain	1298520(10.35%)	1298520(10.35%)
NECC Automobiles (P) Limited	2083538(16.60%)	2083538(16.60%)
NECC Securities (P) Limited	1914220(15.25%)	1914220(15.25%)
Praveen Kumar Jain	0	1305042(10.40%)
Sunil Kumar Jain	2617422(20.86%)	1312380(10.46%)
Suvi Developers (P) Limited	907850(7.23%)	907850(7.23%)

**For North Eastern Carrying Corporation Limited**

  
Sunil Kumar Jain  
Managing Director

  
Manoj Kumar Jain  
Director

  
S. L. Yadav  
Vice President

  
Gaurav Verma  
Company Secretary



**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2012

	As On 31.03.2012 <u>Amt.In (Rs.)</u>	As On 31.03.2011 <u>Amt.In (Rs.)</u>
<b>Note : 5 Reserves &amp; Surplus</b>		
Shree Ganesh Ji Maharaj	1,101	1,101
<b>Security Premium Account</b>		
Opening Balance	90,000,000	90,000,000
Add : Addition during the year	<u>0</u>	<u>0</u>
Closing Balance	90,000,000	90,000,000
<b>General Reserve</b>		
Opening Balance	61,948,871	61,948,871
Add : Addition during the year	<u>0</u>	<u>0</u>
Closing Balance	61,948,871	61,948,871
<b>Surplus/Deficit in the statement of profit and loss</b>		
Balance as per last financial statements	172,106,308	122,959,972
Profit (-Loss) after tax for the year	<u>52,744,060</u>	<u>49,146,336</u>
Closing Balance	<u>224,850,368</u>	<u>172,106,308</u>
<b>Total</b>	<u>376,800,340</u>	<u>324,056,280</u>
<b>Note:6 Long Term Borrowings</b>		
Mahindra & Mahindra Financial Services Ltd.	205,939	0
BMW India Financial Services Limited	1,504,261	2,999,561
HDFC Bank Limited	4,797,876	26,807,203
Reliance Capital Limited	20,967,863	5,372,842
(Secured against hypothecation of vehicles financed)		
<b>Total</b>	<u>27,475,939</u>	<u>35,179,606</u>

For NORTH EASTERN CARRYING CORPORATION LIMITED

Sunil Kumar Jain  
Managing Director

S. L. Yadav  
Vice President

Manoj Kumar Jain  
Director

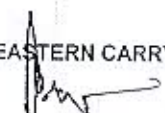
Gaurav Verma  
Company Secretary




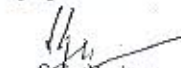
**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2012


	As On 31.03.2012 <u>Amt.In (Rs.)</u>	As On 31.03.2011 <u>Amt.In (Rs.)</u>
<b>Note:7 Short Term Borrowings</b>		
Mahindra & Mahindra Financial Services Ltd.	207,361	0
BMW India Financial Services Limited	1,495,300	1,357,134
HDFC Bank Limited	22,009,327	22,907,301
ICICI Bank Limited	0	31,813
Reliance Capital Limited	14,044,748	1,794,985
Tata Motors Finance Limited	0	1,578,977
Tata Finance Limited	0	970,541
(Secured against hypothecation of vehicles financed)		
Kotak Mahindra Bank ( OD A/c)	126,872,757	113,872,511
Oriental Bank of Commerce (OD A/c.)	286,795,431	286,933,752
(Both 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 Associated Concerns and personal guarantee of some of Directors, their HUF and Corporate Guarantee of Associated Concerns)		
	<u>451,424,924</u>	<u>429,447,014</u>
<b>Note:8 Trade Payables</b>		
Sundry Creditors	4,868,823	24,818,868
<b>Total</b>	<u>4,868,823</u>	<u>24,818,868</u>
<b>Note:9 Other Current Liabilities</b>		
Security Deposits	434,000	175,234
E. S. I. Payable	164,353	209,056
Provident Fund Payable	601,515	578,309
Professional Tax Payable	7,635	7,413
T. D. S. Payable	1,186,379	2,030,351
Service Tax Payable	2,730,403	376,264
Bonus/ Ex-Gratia Payable	4,676,231	4,373,867
Leave Encashment Payable	2,380,825	1,987,221
Lorry Freight Payable	22,170,610	903,857
Claim Payable	965,945	1,294,530
Other Expenses & Liabilities Payable	8,062,261	7,886,447
Service Tax Not Received Not Due	354,991	965,433
<b>Total</b>	<u>43,734,948</u>	<u>20,787,982</u>

For NORTH EASTERN CARRYING CORPORATION LIMITED

  
Sunil Kumar Jain  
Managing Director

  
Manoj Kumar Jain  
Director

  
S.L. Yadav  
Vice President

  
Gaurav Verma  
Company Secretary



**NORTH EASTERN CARRYING CORPORATION LIMITED**

Note 11: Fixed Assets Annexed to and Forming Part of the Balance Sheet as on 31.03.2012

Particulars	Rates	GROSS BLOCK				DEPRECIATION		Amount in Rupees			
		As At 01.04.2011	Addition during the yr.	Sale during the year	As At 31.03.2012	As At 01.04.2011	Adjustment	For the Year	As At 31.03.2012	As At 31.03.2012	As At 31.03.2011
Land	0.00%	1,408,654	1,036,385	0	2,445,049	0	0	0	0	2,445,049	1,408,654
Building	5.00%	24,846,332	0	0	24,846,332	6,532,353	0	915,698	7,448,061	17,398,271	18,313,959
Goodwill	0.00%	53,374,000	0	0	53,374,000	0	0	0	0	53,374,000	53,374,000
Car & Scooter	25.89%	26,784,107	3,861,818	2,516,087	28,129,838	10,467,733	2,055,907	4,491,773	12,923,599	15,206,239	16,265,374
Air Conditioner & Coolers	13.91%	2,298,725	87,987	0	2,386,712	1,279,587	0	147,231	1,426,818	959,894	1,019,138
Electrical Install. & Fitt.	13.91%	860,587	406,003	3,600	1,262,990	386,450	3,600	96,544	478,394	794,596	474,137
Generators	13.91%	1,275,825	0	0	1,275,825	662,668	0	86,290	747,958	527,867	613,157
Weighting Scales	13.91%	288,027	0	0	288,027	207,258	0	11,235	218,493	69,534	80,769
Cycles	20.00%	151,992	9,246	0	161,238	97,132	0	12,007	109,139	52,099	54,860
Office Equipments	13.91%	4,374,119	314,484	0	4,688,603	2,544,694	0	272,646	2,817,340	1,871,263	1,829,425
Computers	40.00%	26,489,679	814,734	0	27,304,413	22,919,080	0	1,800,164	24,519,244	2,785,169	3,570,599
Furniture & Fixtures	18.10%	10,670,547	398,164	0	11,068,711	7,659,417	0	577,511	8,236,928	2,831,783	3,011,130
Typewriters	13.91%	1,797	0	0	1,797	1,527	0	38	1,565	232	270
Lorry & Trucks (SLM)	16.21%	158,069,127	0	3,131,745	154,937,382	64,682,396	2,542,870	25,302,137	87,441,662	67,495,720	83,386,792
<b>Total</b>		<b>310,893,528</b>	<b>6,928,821</b>	<b>5,651,432</b>	<b>312,170,917</b>	<b>117,460,304</b>	<b>4,602,377</b>	<b>33,511,274</b>	<b>146,369,201</b>	<b>166,801,716</b>	<b>193,433,224</b>
Previous Year		264,049,725	62,104,014	15,260,211	310,893,528	96,964,031	10,446,454	30,952,727	117,460,304	193,433,224	167,095,654



**FOR NORTH EASTERN CARRYING CORPORATION LIMITED**

Sunil Kumar Jain  
Managing Director

S. L. Yadav  
Vice President

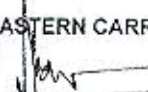
Mehraj Kumar Jain  
Director

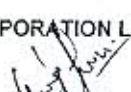
Geetika Verma  
Company Secretary

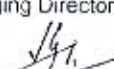
**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2012

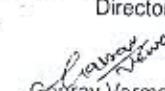
	As On 31.03.2012 <u>Amt.In (Rs.)</u>	As On 31.03.2011 <u>Amt.In (Rs.)</u>
<b>Note:10 Short Term provisions</b>		
Provision for I. Tax (AY 2012-2013)	29,252,040	0
Provision for I. Tax (AY 2011-2012)	22,160,772	22,043,455
Provision for I. Tax (AY 2010-2011)	17,200,000	17,200,000
Provision for Fringe Benefit Tax (AY 2009-10)	1,296,751	1,296,751
Provision for Wealth Tax	25,000	25,000
Provision for Gratuity	14,408,447	11,324,147
<b>Total</b>	<u>84,343,010</u>	<u>51,889,353</u>
 <b>Note :12 Long Term Loans &amp; Advances</b>		
Security Deposits	153,299	103,199
Earnest Money Deposits	11,019,841	5,732,331
Land Lord Security Deposits	22,296,989	19,260,492
Other Advances	13,044,503	19,437,526
<b>Total</b>	<u>46,514,632</u>	<u>44,533,548</u>
 <b>Note:13 Trade Receivables</b> (Unconfirmed, Unsecured and Considered Good)		
Debts outstanding for more than six months	63,285,275	29,554,893
Others Debts	693,655,995	585,596,381
<b>Total</b>	<u>756,941,270</u>	<u>615,151,275</u>
 <b>Note : 14 Cash &amp; Cash Equivalent</b>		
<b>Cash-in-Hand</b>		
Cash in Hand	4,416,054	5,612,012
Funds In Transit	11,527,570	7,949,513
<b>Bank Balance</b>	<u>15,943,624</u>	<u>13,561,524</u>
Balance - In Current A/c ( Scheduled Banks)	19,779,175	32,956,373
Balance - In Current A/c ( Others)	1,085,893	302,021
Balance - In Fixed Deposits ( Scheduled Banks)	6,555,478	5,914,003
<b>Total</b>	<u>27,420,546</u>	<u>39,172,397</u>
<b>Total</b>	<u>43,384,170</u>	<u>52,733,921</u>

For NORTH EASTERN CARRYING CORPORATION LIMITED

  
Sunil Kumar Jain  
Managing Director

  
Mandi Kumar Jain  
Director

  
S. L. Yadav  
Vice President

  
Gaurav Verma  
Company Secretary



**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2012

	As On 31.03.2012 <u>Amt.In (Rs.)</u>	As On 31.03.2011 <u>Amt.In (Rs.)</u>
<b>Note:15 Short Term Loans and Advances</b>		
(Unconfirmed, Unsecured & Considered Good)		
(Advance recoverable in cash or in kind or for value to be recd.)		
Staff Advances	12,099,992	11,529,892
Rates & Taxes Receivable	7,091,424	7,539,742
Prepaid Expenses & Recoverables	2,606,745	1,225,529
Paid Receivable	0	775,706
Refund Due ( AY 09-10)	1,811,405	1,811,405
Advance Income Tax/TDS (AY 10-11)	20,185,133	20,185,133
Advance Income Tax/TDS (AY 11-12)	22,043,455	20,509,077
Advance Income Tax/TDS (AY 12-13)	27,303,050	0
Advance Fringe Benefit Tax (AY 09-10)	1,325,000	1,325,000
Interest Accrued but not recieved on FD	284,793	0
Lorry Freight Advance	12,117,637	48,523,569
<b>Total</b>	<b>106,868,633</b>	<b>113,425,051</b>
 <b>Note :16 Revenue from Operations</b>		
Freight	4,773,175,525	4,135,275,501
Demurages	489,269	3,417,091
<b>Total</b>	<b>4,773,664,794</b>	<b>4,138,692,592</b>
 <b>Note :17 Other Income</b>		
Profit on sale of Fixed Assets	1,837,283	2,899,243
Warehouse Charges	0	1,932,582
Insurance Claim	2,250,490	0
Interest received	617,779	1,441,254
<b>Total</b>	<b>4,705,552</b>	<b>6,273,079</b>
 <b>Note : 18 Operating / Direct Cost</b>		
Lorry Freight	4,394,406,633	3,807,614,461
Lorry Maintenance	4,077,323	1,374,860
Commission	6,558,888	5,227,560
Claims	6,936,224	5,120,160
<b>Total</b>	<b>4,411,979,068</b>	<b>3,819,337,041</b>
 <b>Note :19 Employee Benefit Expenses</b>		
Establishment Expenses	68,661,731	63,918,260
PF/ESI	5,415,207	5,101,864
Staff Welfare	2,201,987	2,107,937
Gratuity	3,893,752	1,897,982
Director's Remuneration	2,400,000	2,400,000
Recruitment & Training Expenses	197,450	54,274
<b>Total</b>	<b>82,770,127</b>	<b>75,480,317</b>

For NORTH EASTERN CARRYING CORPORATION LIMITED

Sunil Kumar Jain  
Managing Director

Manoj Kumar Jain  
Director

S. L. Yadav  
Vice President

Gaurav Verma  
Company Secretary

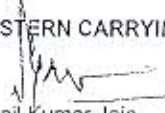





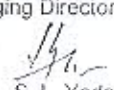
**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Notes forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2012

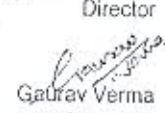
	As On 31.03.2012 <u>Amt.In (Rs.)</u>	As On 31.03.2011 <u>Amt.In (Rs.)</u>
<b>Note :20 Financial Cost</b>		
Bank Charges & Comm.	3,196,505	3,129,004
Bank Interest	58,135,881	47,820,949
Interest on Vehicle Loans	7,588,681	4,893,345
Interest on Car Loan	770,454	317,536
<b>Total</b>	<b>69,691,521</b>	<b>56,160,835</b>
 <b>Note : 21 Depreciation &amp; Amortised Cost</b>		
Depreciation	33,511,274	30,952,727
<b>Total</b>	<b>33,511,274</b>	<b>30,952,727</b>
 <b>Note : 22 Other Administrative Expenses</b>		
Advertisement & Publicity	548,316	767,600
Books & Periodicals	9,430	9,155
Business Promotion	1,811,086	36,397
Car Expenses	2,688,934	2,182,301
Conveyance & Scooter Petrol	1,705,032	1,749,609
Diwali Expenses	570,589	898,552
Donations (80G)	1,049,000	0
Electricity & Water Charges	4,864,436	4,176,872
Fees, Rates & Taxes	650,118	1,036,497
General Expenses	1,174,175	1,346,373
Generator Hire & Maintenance Charges	1,051,100	981,414
Insurance (Car)	195,450	202,747
Insurance (Others)	2,936,052	3,438,583
Interest on Late Deposit of Govt. Dues	108,791	107,310
Internet Charges	52,277	156,181
Legal & Professional Expenses	2,405,422	2,990,251
Office Expenses	868,158	741,986
Packing & Forwarding Expenses	584,235	1,298,527
Payment to Auditors	65,000	40,000
Penalties Paid	4,000	12,594
Postage & Courier	1,773,816	1,557,134
Printing & Stationery	4,332,092	3,185,780
Rent	48,680,043	41,993,390
Repair & Maintenance	3,622,667	3,757,624
Scholarship	155,000	130,500
Scooter Expenses	2,576,478	2,105,628
Security Guard Charges	1,350,525	1,340,063
Subscriptions	562,711	463,351
Telephone Expenses	5,653,783	5,497,323
Travelling Expenses	8,063,649	8,100,464
<b>Total</b>	<b>100,112,366</b>	<b>90,304,207</b>

For NORTH EASTERN CARRYING CORPORATION LIMITED

  
Sunil Kumar Jain  
Managing Director

  
Manoj Kumar Jain  
Director

  
S. L. Yadav  
Vice President

  
Gautrav Verma  
Company Secretary



### 23. Related Party Disclosures

During the year, the company entered into transactions with related parties. Those transactions are listed below:

- List of related parties being associates having significant influence or control.
  - a. N. E. C. C. Logistics Limited
  - b. N. E. C. C. Securities Private Limited
  - c. N. E. C. C. Financial Services Private Limited.
  - d. N. E. C. C. Automobiles Private. Limited.
  - e. Shreyans Buildwell Private Limited
  - f. Shreyans Buildtech Private Limited
  - g. Shreyans Logistics Private Limited
  - h. Indika Agro Products Private Limited
  - i. Jaswant Rai Jain & Sons (HUF)
  - j. Sunil Kumar Jain & Sons (HUF)

Nature of Transactions	Amount (Rs.)
Rent Paid	18,98,620 /-

- Key Management Personnel and their relatives
  - a. Mr. Jaswant Rai Jain
  - b. Mr. Sunil Kumar Jain
  - c. Mrs. Vanya Jain
  - d. Mr. Utkarsh Jain

Nature of Transactions	Amount (Rs.)
Rent Paid	40,50,000/-
Directors Remuneration (excluding perquisite)	24,00,000/-

24. The Company has been advised that the computation of net profits for the purpose of directors remuneration under section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the directors. Fixed monthly remuneration has been paid to the directors within the limits laid down under Schedule - XIII to the Companies Act, 1956.

25. Remuneration to Directors Rs. 24,00,000/- (Previous Year Rs. 24,00,000/-)



26. Contingent Liability not provided for:
- In Respect of Bank Guarantees issued by the bank on behalf of the company Rs 1,82,92,265/-.
  - For claims/shortage not ascertained nor settled during the year. Claims lodged by customers but not settled by the company Rs.38,75,868/-.
  - Approximate Liability on account of major cases filed against the company in various courts aggregating to Rs.1,20,77,748/-
27. Sundry Debtors include freight receivable against GRs issued during the year.
28. Tax Deducted at Source (A.Y. 2012-2013) 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. The debit and credit balances standing in the name of parties are subject to confirmation from them.

31. Deferred Tax Liability (Net):

(Amount In Rupees)

Particulars	Deferred Tax Assets/(Liability) As on 01.04.2011	Deferred Tax Credit/(Charge) for the year	Deferred Tax Asset/(Liability) as at 31.03.12
On account of difference between book & tax dep.	-11,12,78,695/-	12,54,777/-	-1,00,23,918/-
Gratuity	36,74,119/-	10,00,702/-	46,74,821/-
<b>Total</b>	<b>-76,04,576/-</b>	<b>22,55,479/-</b>	<b>-53,49,097 /-</b>

In accordance with AS 22 issued by ICAI, the company has provided for deferred tax during the year.

32. The company has not received any intimation from "suppliers" regarding their status under Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been furnished.
33. 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.



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

35. Payment to Auditors Amt. In Rs.  
Audit Fee & Corporate Matters Rs.65,000/- (Previous Year Rs.40,000/-)

36. Previous year figures have been regrouped/ reclassified wherever necessary.

37. Naye Paise have been ignored.

38. Additional Information pursuant to provision of circular no. GSR 388(E) dated 15.05.95 of Department of Company Affairs is enclosed.

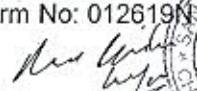
**Auditors Report**

As per our report of even date attached


For **M/s Sanghi & Company**


Chartered Accountants


Firm No: 012619N

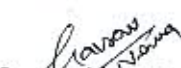
  
Ram Kishan Sanghi  
Proprietor  
M.No. 091534



  
Sunil Kumar Jain  
Managing Director

  
S.L. Yadav  
Vice President

  
Manoj Kumar Jain  
Director

  
Gaurav Verma  
Company Secretary

Place Delhi  
Date: 30.05.2012

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

	As At 31.03.2012 Amt. In Rs.	As At 31.03.2011 Amt. In Rs.
<b>A. Cash Flow From Operating Activities:</b>		
Net Profit before taxation	80,305,090	72,730,543
Add: Depreciation	33,511,277	30,952,727
Sub-Total	<u>113,817,267</u>	<u>103,683,270</u>
Less: Profit on Sale of Fixed Assets	1,837,283	2,899,243
Less: Interest on Income Tax Refund/Other Interest	617,779	1,441,254
Less: Profit on Sale of Shares	-	-
Operating Profit before working capital changes	<u>111,362,205</u>	<u>99,342,773</u>
Less: Increase in Sundry Debtors	141,789,995	106,503,749
Add: Decrease in Loans & Advances	4,575,334	32,810,915
Add: Increase in Current Liabilities	33,195,100	9,020,944
Cash generated from operations	<u>7,342,644</u>	<u>(30,950,947)</u>
Less: Income Tax Paid/ Provided	27,561,930	23,584,207
Net Cash From Operating Activities	<u>(20,219,287)</u>	<u>(54,535,154)</u>
<b>B. Cash Flow From Investing Activities:</b>		
Add: Sale Proceeds of Fixed Assets	2,886,338	7,713,000
Add: Profit on Sale of Shares	-	-
Add: Interest on Income Tax Refund/Other Interest	617,779	1,441,254
Less: Purchase of Fixed Assets	6,928,821	62,104,014
Net Cash Outflow from Investing Activities	<u>(3,424,704)</u>	<u>(52,949,760)</u>
<b>C. Cash Flow From Financing Activities:</b>		
Add: Increase in Secured Loans	14,274,243	116,900,743
Add: Increase in Unsecured Loans	-	8,450,000
Net Cash Inflow from Financing Activities	<u>14,274,243</u>	<u>108,450,743</u>
Net Increase in Cash & Cash Equivalents (A+B+C)	<u>(9,369,748)</u>	<u>965,828</u>
Add: Cash & Cash Equivalents at beginning of Year	52,733,920	51,768,092
Cash & Cash Equivalents at end of Year	<u>43,364,170</u>	<u>52,733,920</u>

Place: Delhi  
Date: 30.05.2012

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

*Sunit Kumar Jain*  
Sunit Kumar Jain  
Managing Director

*Manoj Kumar Jain*  
Manoj Kumar Jain  
Director

*S. L. Yadav*  
S. L. Yadav  
Vice President

*Gaurav Verma*  
Gaurav Verma  
Company Secretary

**Auditor's Certificate:**

We have examined the above Cash Flow Statement of North Eastern Carrying Corporation Ltd. for the year ended 31.03.12. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Stock Exchange and is based on and in agreement with the books and records of the company and also the Profit & Loss and Balance Sheet of the company covered by our report of even date to the members of the Company.

Place: Delhi  
Date: 30.05.2012

For M/s. Sanghi & Company  
Chartered Accountants  
Firm No. 012619N  
Rajesh Sanghi  
Proprietor  
M. No. 091534

**NORTH EASTERN CARRYING CORPORATION LIMITED**

Balance Sheet Abstract and A Company's General Business Profile

1 Registration Details

Registration No. L51909DL1984PLC019485  
 Balance Sheet Date 31.03.2012  
 State Code 55

2 Capital Raised During the Year (Amount In Rs. Lacs)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

3 Position of Mobilisation and Deployment of Funds (Amount In Rs. Lacs.)

Total Liabilities	11194.90	Total Assets	11194.90
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Source of Fund

Paid Up Capital	1254.93
Reserve & Surplus	3768.00
Secured Loan	4789.01
Unsecured Loan	0.00
Deferred Tax Liability	53.49
Other Current liabilities	1329.47

Application of Funds

Net Fixed Assets	1658.02
Current Assets	9536.89
Investment	0.00
Misc. Expenditure	0.00

4 Performance of the Company (Amount In Rs. Lacs)

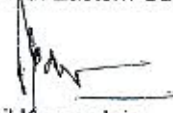
Turnover	47736.65	Total Expenditure	46980.64
Profit/Loss before Tax	803.06	Profit/Loss after Tax	527.44
Earning Per Share (Rs.)	4.20	Dividend	0.00


5 Generic names of three principal product/service of the company (as per monetary terms)

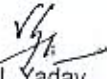
Item Code No. (ITC code)	NIL	Item Code No. (ITC code)	NIL
Product Description	Transportation		

For North Eastern Carrying Corporation Limited

Place: Delhi  
 Date: 30.05.2012

  
 Sunil Kumar Jain  
 Managing Director

  
 Manoj Kumar Jain  
 Director

  
 S L Yadav  
 Vice President

  
 Geetraj Verma  
 Company Secretary



# NORTH EASTERN CARRYING CORPORATION LIMITED

## NOTICE

Notice is hereby given that the Twenty-Seventh Annual General Meeting of the shareholders of M/s North Eastern Carrying Corporation Limited will be held on Thursday the 30<sup>th</sup> day of August, 2012 at the registered office of the Company at 9062/47, Ram Bagh Road, Azad Market, Delhi-110006 at 11:00 am to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31<sup>st</sup>, 2012 and the Profit and Loss account for the year ended on that date together with Auditors Report and Directors Report thereon.
2. To appoint a director in place of Mr. Mohak Jain who retires by rotation and being eligible, offer himself for re-appointment on the existing terms and conditions.
3. To appoint a director in place of Mr. Roshan Dabriwal, who retires by rotation and being eligible, offers himself for re-appointment on existing terms and conditions.
4. To appoint the Auditors to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution:**

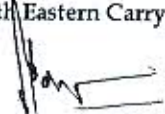
"RESOLVED THAT in partial modification to the Resolution passed by the Members at the Extraordinary General Meeting held on October 11, 2010 for approving the appointment and terms of remuneration of Mr. Sunil Kumar Jain as Managing Director in accordance with the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the increase in remuneration of Mr. Sunil Kumar Jain for the remaining period of his tenure of office, with effect from April 1, 2012, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Sunil Kumar Jain as approved earlier by the Members, shall remain unchanged.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

Place: Delhi  
Date: 30.05.2012

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

  
Sunil Kumar Jain  
Chairman

  
Manoj Kumar Jain  
Director

9062/47 Ram Bagh Road  
Azad Market, Delhi 110006

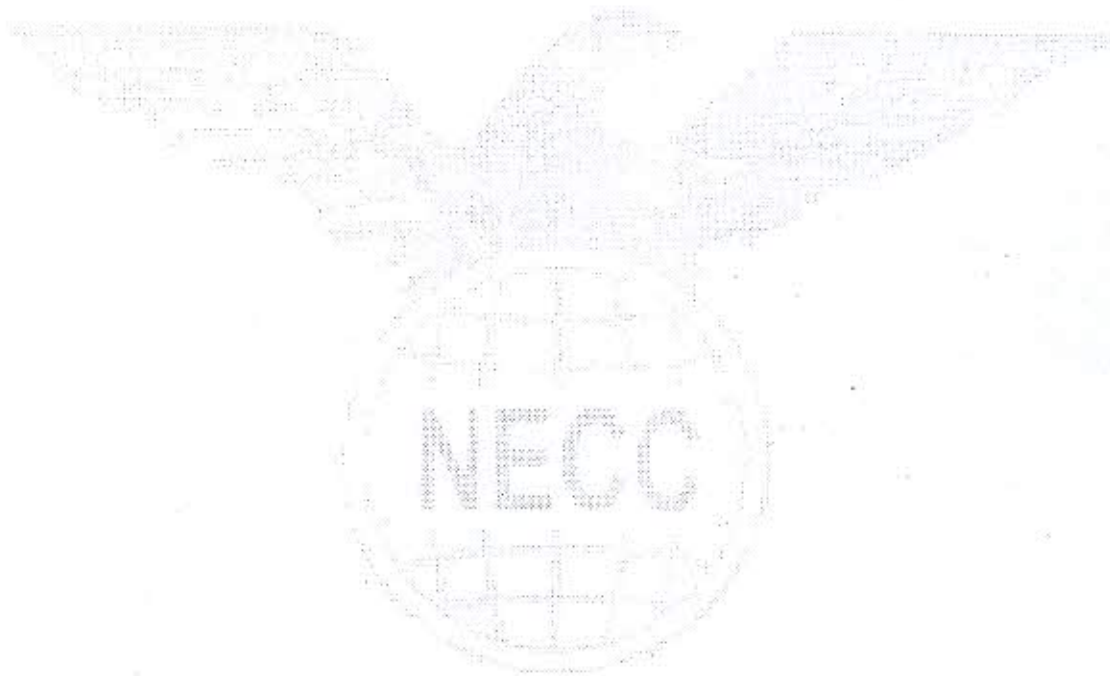
North Eastern Carrying Corporation Limited

# **NORTH EASTERN CARRYING CORPORATION LIMITED**

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NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEEDS NOT TO BE A MEMBER.
2. THE PROXIE, IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM 25<sup>th</sup> DAY OF AUGUST 2012 TO 30<sup>th</sup> DAY OF AUGUST 2012 (BOTH DAYS INCLUSIVE).
4. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 5 AS SET OUT ABOVE IS ANNEXED HERETO.



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9062/47 Ram Bagh Road  
Azad Market, Delhi 110006

**North Eastern Carrying Corporation Limited**



# NORTH EASTERN CARRYING CORPORATION LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) READ WITH CLAUSE (B) OF II PART OF SCHEDULE XIII OF THE COMPANIES ACT, 1956:

ITEM NO. 5

## I. GENERAL INFORMATION:

1. Nature of Industry: The Company is operating into service sector and providing carriage and transportation of goods by road.
2. Financial performance (2011-12):

PARTICULARS	AMOUNT (Rs.)
Turnover	4773664794
PBDIT	113817264
Depreciation	33511274
PBT	80305990
Tax (Including Deferred Tax and short provisions)	(27561930)
PAT	52744060

## II. INFORMATION ABOUT THE APPOINTEE:

Born on 21<sup>st</sup> July 1962 Mr. Sunil Kumar Jain has been brought up and educated in Delhi. He, after completing his Graduation in Commerce from Delhi University, joined his family business of carriage & transportation of goods. He has joined the Company in 1994 as its additional director and since 06.06.2009 Chairman of the Company. He has versatile experience and hold on different industries like Financial & securities, software and real state. He has promoted more than 10 Companies playing in various sector of economy. At present, including Companies promoted by him, he is director of two other Listed Companies too viz. Parsvnath Developers Limited and Visesh Infotecnics Limited.

The Share Holders of the Company, at their Extra-ordinary general meeting held on 11th October, 2010, appointed Mr. Sunil Kumar Jain as Managing Director of the Company for a period of five years with effect from the same date. The material terms and conditions of the appointment contained in the Agreement between the Company and Mr. Sunil Kumar Jain are as follows:

1. The Managing Director shall, subject to the supervision and control of the Board of Directors; carry out such duties as may be entrusted to him by the Directors and shall exercise such powers as are delegated to him by the Board of Directors.
2. Period of Agreement: 5 years from Monday the 11th day of October, 2010.
3. Remuneration:  
Past Salary: A consolidated salary not exceeding Rs.2,75,000/- per month and as may be decided by the Board from time to time,

9062/47 Ram Bagh Road  
Azad Market, Delhi 110006

North Eastern Carrying Corporation Limited

# NORTH EASTERN CARRYING CORPORATION LIMITED

The total remuneration as above may be suitably structured in consultation with tax advisor of the company so, however, that the total CTC (cost to company) shall not exceed the amount mentioned above.

## Allowances and Perquisites

- a) Commission, Bonus: As per the Company's Schemes and Incentives & Other as may be decided by the Board from time to time.
  - b) Accommodation: Furnished accommodation with electricity, water and gas at the cost of the Company or alternative HRA.
  - c) Motor Car: Provision of motor car with a chauffeur.
  - d) Medical: As per rules of the Company's Reimbursement Scheme.
  - e) Telephone: Telephone, telefax and other communication facilities at his residence at the cost of the Company.
  - f) Leave Travel: As per rules of the Company's
  - g) Earned/Privilege Leave: As per rules of the Company's Scheme.
  - h) Other allowances: Subject to any statutory ceiling/s, the Managing Director may be given any other allowances, perquisites, benefits and facilities as may be decided by the Board of Directors from time to time.
5. The Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel entertainment or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.
  6. The terms and conditions of the said appointment and/or Agreement may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit.
  7. The Agreement may be terminated by either party giving the other party six months' notice
  8. The Managing Director shall not be entitled to receive any fees for attending meetings of the Board/Committee.

## PROPOSED REMUNERATION:

In pursuant of the powers given under the agreement the Board of Directors therefore decided to increase the remuneration of Mr. Sunil Kumar Jain, the Managing Director of the Company, subject to the approval of shareholders in the Annual General Meeting of the Company, to Rs. 3,00,000/- per month and Rs. 50,000/- per month as perquisites making the total remuneration of Rs. 3,50,000/- per month with effect from 01<sup>st</sup> April, 2012. All other terms and conditions as contained in the shareholders' resolution dated 11-10-2010 shall remain same.

## III. OTHER INFORMATION:

The Remuneration Committee in its meeting held on 01<sup>st</sup> April, 2012 has recommended and fixed a salary limit of Rs. 3,50,000/- upto which a Managing Director can be paid in present scenario. Economic slowdown and social unrest in the most of Eastern and North Eastern part of India during preceding years had affected the business and profitability of the Company. The Company had taken and still taking all remedial measures to save and protect the Company from these unavoidable situation and also expanding its operation to other parts of the Country.

In preceding years the Company had fixed and almost achieved its business targets. During last three years the Company enhanced its strength in all business segments and is of the view to maintain this pace in future also.

# NORTH EASTERN CARRYING CORPORATION LIMITED

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## IV. DISCLOSURES

All requisite disclosures as mentioned in Schedule XIII part (II) clause (B)(IV) shall be made accordingly in ensuing Directors Report.

None of the Directors other than Mr. Sunil Kumar Jain is interested in this Resolution.

Place: Delhi  
Date: 30.05.2012

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

  
Sunil Kumar Jain  
Chairman

  
Manoj Kumar Jain  
Director

