

ANNUAL REPORT

2010-11



NORTH EASTERN CARRYING CORPORATION LIMITED

REG./ CORP. OFFICE: 9062/47 RAM BAGH ROAD, AZAD MARKET, DELHI- 110006

PHONE: 011-23517516-19

FAX: 011-23527700, 23516102

EMAIL: CO@NECCGROUP.COM

WEBSITE: WWW.NECCGROUP.COM

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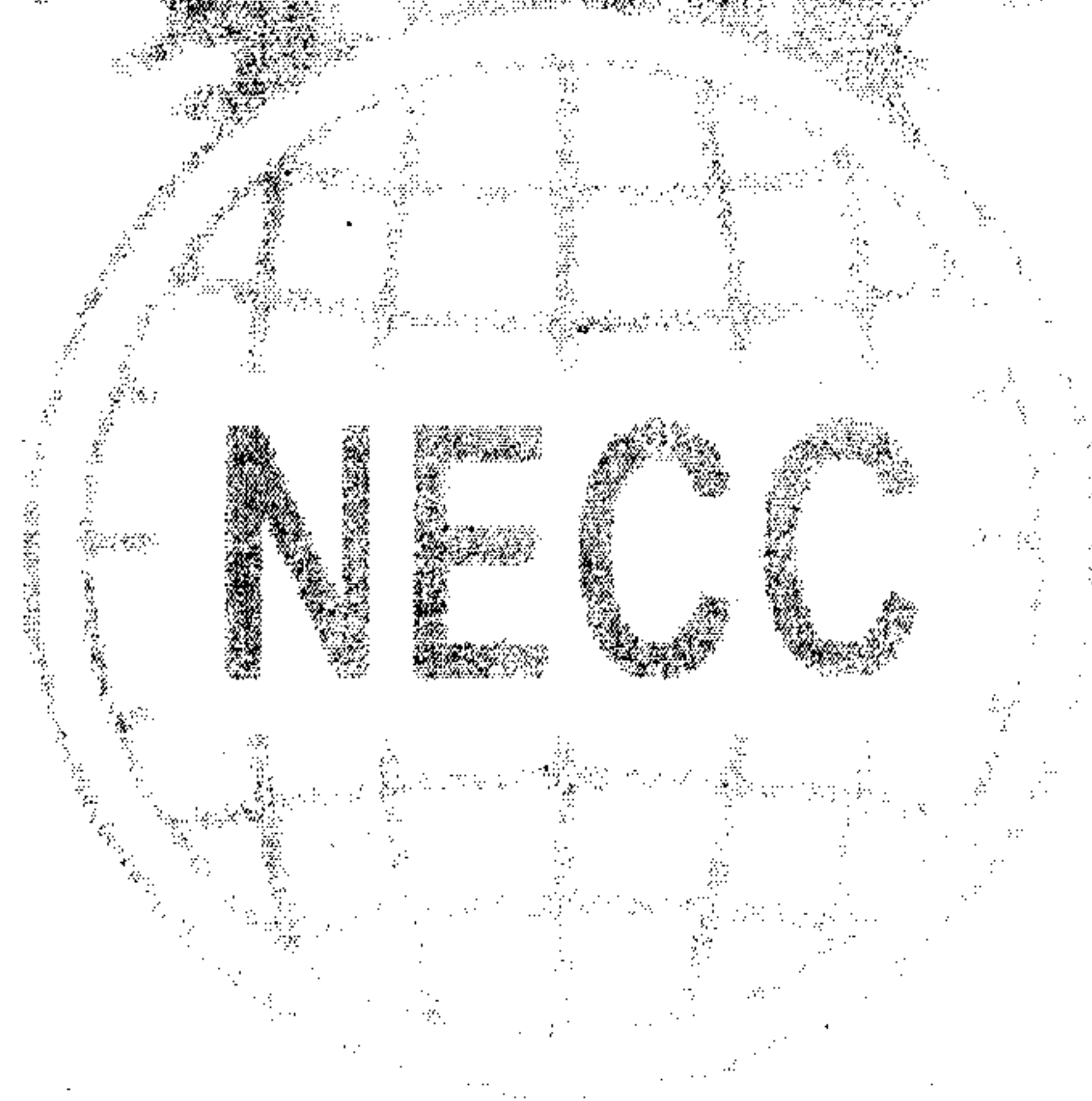
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9062/47 Ram Bagh Road

Azad Market, Delhi 110006

North Eastern Carrying Corporation Limited

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Corporate Information

Board

Mr. Jaswant Rai Jain	Director
Mr. Sunil Kumar Jain	Chairman & Managing Director
Mr. Praveen Jain	Director
Mr. Sanjeev Jain	Director
Mr. Roshan Dabriwal	Non executive & Independent Director
Mr. Manoj Kumar Jain	Non executive & Independent Director
Mr. Mohak Jain	Non executive & Independent Director
Mr. Utsav Jain	Non executive & Independent Director

Registered Office

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

Corporate Office

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

Bankers

Oriental Bank of Coommerce
Kotak Mahindra Bank Limited
HDFC Bank Limited

Depositories

NSDL
CDSL

Registrar & Share Transfer Agent

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

Credit Rating Agency

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

9062/47 Ram Bagh Road

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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

Astt. General Manager

Astt. General Manager

Functional Head

Mr. S.N. Singh

Mr. R.N. Prasad

Mr. P.J. Singh

Manager Accounts

Manager IT

Manager Administration



NECC

NORTH EASTERN CARRYING CORPORATION LIMITED

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DIRECTORS REPORT

TO THE SHAREHOLDERS

The Directors have pleasure in presenting the twenty-Sixth Annual Reports on the business and operation of the company and the Audited Statement of Accounts for the year ended March 31st, 2011.

1. FINANCIAL PERFORMANCE

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

(In Rupees)

Particulars	For the year ended	
	31.03.2011	31.03.2010
Profit before Depreciation & Income Tax	103683270	76062064
Less: Depreciation	30952727	25087231
Profit after depreciation	72730543	50974833
Less: Provision for:		
Income Tax	22043455	17200000
Fringe Benefit Tax		
Wealth Tax	25000	25000
Less/ Add: Deferred tax Saving/Liability	2028838	419
Add/Less : Previous year adjustment	513086	(1310318)
Profit After Taxation	49146336	32439096
Add: Profit brought Forward	122959972	90520876
Balance Carried over to Balance Sheet	172106308	122959972

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, 2011.

3. DIRECTORS

Mr. Praveen Jain and Mr. Sanjeev Jain, 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. Mr. Utsav Jain was also appointed as additional director w.e.f 04.01.2011. The term of Mr. Utsav Jain as additional director expires at the ensuing Annual General Meeting. However, the company has received a notice under section 257(1) of the companies Act 1956 proposing Mr. Utsav Jain as director. The Board has recommended the resolution for shareholders approval.

4. AUDITORS REPORT

Auditors report on the final account 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.

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 2011-12 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, 500000/- 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 , 2011 and of the profit/loss of the company for the year ended March 31st 2011.
- (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.

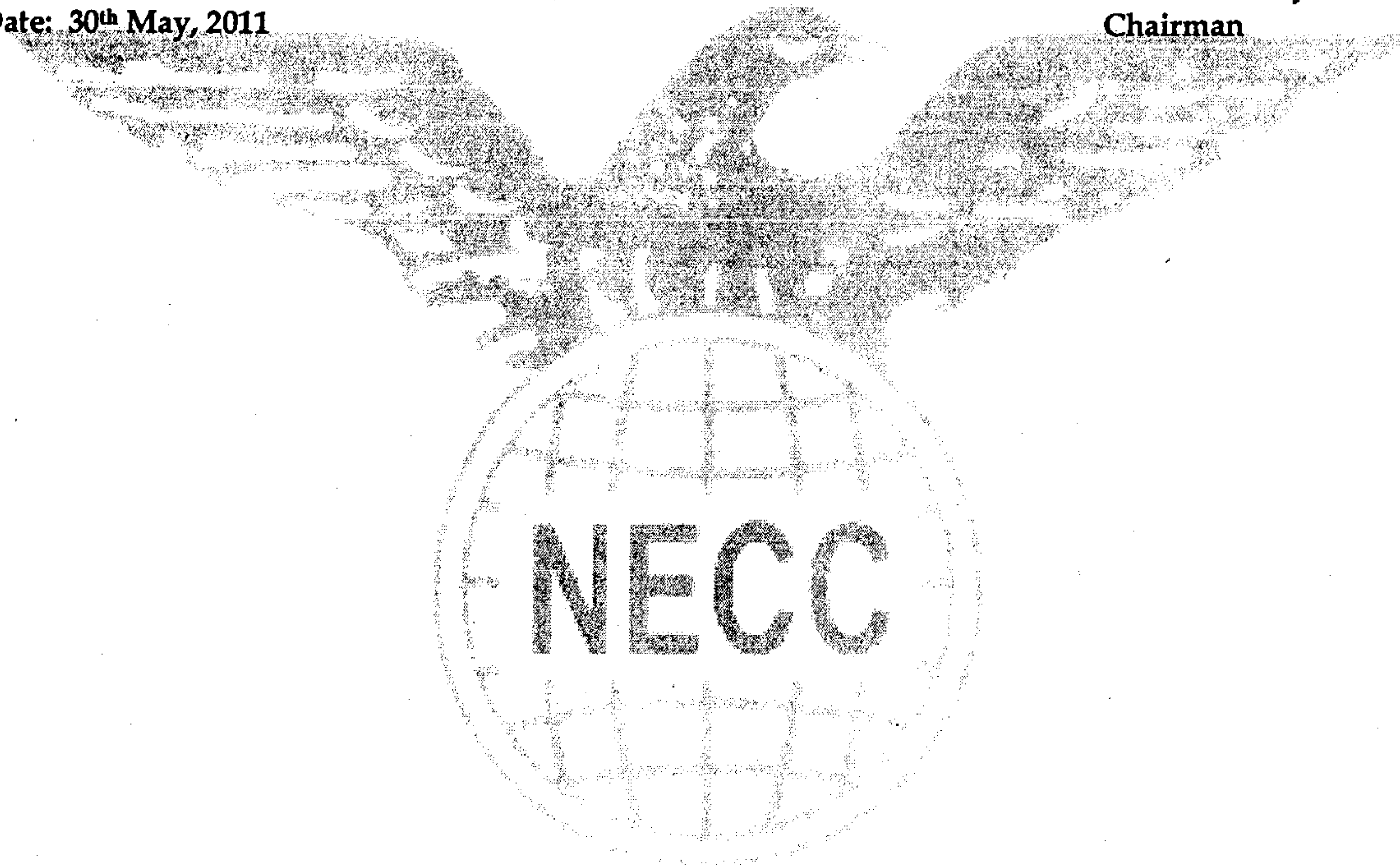
14. ACKNOWLEDGEMENT

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


Sunil Kumar Jain
Chairman

Place: Delhi
Date: 30th May, 2011



NORTH EASTERN CARRYING CORPORATION LIMITED

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

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

BOARD OF DIRECTORS

Composition & category as on March 31st 2011

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

Composition, Category and attendance of each director including retired/resigned, at the Board Meetings and the last Annual General Meeting as on March 31st, 2011

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	Executive	10.10.94	-	17	Yes	3	-	7
Sh. Jaswant Rai Jain	Director	Executive	30.09.95	-	9	Yes	-	-	-
Sh. Praveen Jain	Director	Executive	03.01.86	-	8	-	1	-	-
Sh. Sanjeev Jain	Director	Executive	10.10.94	-	11	Yes	1	-	-
Sh. Roshan Dabriwal	Director	Non-Ex & I	18.09.04	-	14	Yes	-	-	-
Sh. Manoj Kr. Jain	Director	Non-Ex & I	24.03.09	-	15	Yes	-	-	-
Sh. Mohak Jain	Director	Non-Ex & I	15.10.09	-	11	Yes	1	-	-
Sh. Utsav Jain	Add. Director	Non-Ex & I	04.01.11	-	3	-	1	-	-
Sh. Kamal Jain	Director	Non-Ex & I	18.09.04	31.08.10	5	-	-	-	-

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

NOTE:

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

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Board Meeting Held

During the year the Board of Directors of North Eastern Carrying Corporation Limited met 17 times i.e. 01.04.2010, 04.04.2010, 13.04.2010, 07.05.2010, 29.05.2010, 04.06.2010, 10.08.2010, 12.08.2010, 23.08.2010, 31.08.2010, 14.09.2010, 23.10.2010, 13.11.2010, 13.12.2010, 12.02.2011, 08.03.2011 and 31.03.2011 on the maximum gap between any two meetings was not more than four months.

BOARD COMMITTEE

AUDIT COMMITTEE

The terms of reference of the Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The composition of the committee as on 31st March 2011 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. Kamal Jain	Member	Non-Ex & I	18.09.2004	31.08.2010	3
Sh. Manoj Kumar Jain	Member	Non-Ex & I	24.03.2009	-	4
Sh Mohak Jain	Member	Non-Ex & I	31.08.2010	-	2

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

Sh. Kamal Jain has retired from the office of director w.e.f 31.08.2010 (He was present in 3 meetings)

During the year the committee has met 5 times on 04.04.2010, 29.05.2010, 12.08.2010, 13.11.2010 and 12.02.2011. The minutes of the Audit Committee were placed before the Board.

REMUNERATION COMMITTEE

In compliance with Schedule XIII of the Companies Act, 1956, relating to appointment of Director, Remuneration Committee was constituted on September 18th 2004 by Board of Directors. The composition of the committee as on 31st March 2011 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. Kamal Jain	Member	Non-Ex & I	18.09.2004	31.08.2010	2
Sh. Manoj Kumar Jain	Member	Non-Ex & I	24.03.2009	-	4
Sh Mohak Jain	Member	Non-Ex & I	31.08.2010	-	2

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

Sh. Kamal Jain has retired from the office of director w.e.f 31.08.2010 (He was present in 2 meetings)

Remuneration Committee meeting was held on 06.04.2010, 30.07.2010, 28.10.2010 and 25.01.2011. The committee has review the remuneration paid to the director of the company and not recommended any change.

Remuneration of Directors

Details of remuneration paid to directors during 1st April 2010 to 31st March 2011 & 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. Praveen Jain	Director	Nil	Nil	Nil
Sh. Sanjeev Jain	Director	Nil	Nil	Nil
Sh. Kamal 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

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

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 31st March 2011 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	-	6
Sh. Kamal Jain	Member	Non-Ex & I	18.09.2004	31.08.2010	2
Sh. Manoj Kumar Jain	Member	Non-Ex & I	24.03.2009	-	6
Sh Mohak Jain	Member	Non-Ex & I	31.08.2010	-	2

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

Sh. Kamal Jain has retired from the office of director w.e.f 31.08.2010 (He was present in 2 meetings)

During the year the committee has met 6 times on 05.04.2010, 10.05.2010, 07.07.2010, 19.08.2010, 08.10.2010 and 07.01.2011. 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)
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
2007-08	9062/47, Ram Bagh Road, Azad Market, Delhi-06	30.09.08	10:30 AM	No Special Resolution

Extraordinary General Meeting:

Sr. No.	Date	Nature of Resolution	Provision under which business was transected
1	11.10.2010	Special Resolution	1. Appointment of Mr. Sunil Kumar Jain as Managing Director of the Company for a period of five years with effect from Monday the 11th day of October, 2010

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

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Agreement. No penalties were imposed or strictures passed on the company by Stock Exchanges, SEBI or by any Statutory Authority related to Capital Market.

- c) 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. 31st March 2011.

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	-No
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 26th Annual General meeting of the company will be held on Friday, 2nd day of September, 2011 at 10:30 am, at the registered office of the company at 9062/47, Ram Bagh Road, Azad Market, Delhi-06

2. Financial Calendar:

Financial Year	1 st April to 31 st March
Financial Year (under review)	1 st April 2010 to 31 st March 2011
Result for quarter ending 30 th June 10	Latest by 15 th August 2010
Result for quarter ending 30 th September 10	Latest by 15 th November 2010
Result for quarter ending 31 st December 10	Latest by 15 th February 2011
Result for quarter ending 31 st March 11	Latest by 30 th May 2011

(In case company opted to file Audited Financial Account with in 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 29th day of August 2011 to 2nd day of September 2011 (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, 3/1, Asaf Ali Road,
New Delhi-110002

5. Stock Code: 16093

6. ISIN INE553C01016

7. Credit Rating

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

8. Stock Market Price Data:

During the financial year 2010-11, there was no trading of shares of the company on Delhi stock exchange. Therefore, high and low prices for the period cannot be given.

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9. Registrar & Share Transfer Agents:

MAS Services Limited, having its office at T-34 IIInd 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.

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, 2011:

No of Equity Shares held	No. of Shareholders	% of Shareholders	Total no. of Shares held	% of Shareholding
Upto 5000	951	94.81	487809	3.89
5001-10000	Nil	Nil	Nil	Nil
10001-50000	Nil	Nil	Nil	Nil
50001-100000	45	4.49	2671250	21.29
100001-500000	Nil	Nil	Nil	Nil
500001-1000000	2	0.20	1476575	11.76
1000001 and above	5	0.50	7913700	63.06
Total	1003	100.00	12549334	100.00

Categories of Shareholding as on 31st March, 2011:

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

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.

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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.

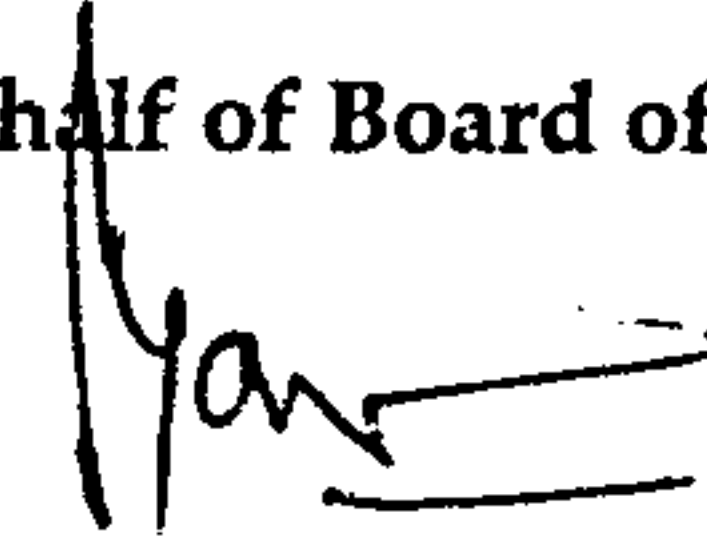
16. Transfer of unclaimed amounts to Investor Education and Protection Fund:

No amount was transferred to Investor Education and Protection Fund during the year 2010-11

17. Address for Correspondence

9062/47, Ram Bagh Road
Azad Market, Delhi - 110006
Email: co@neccgroup.com

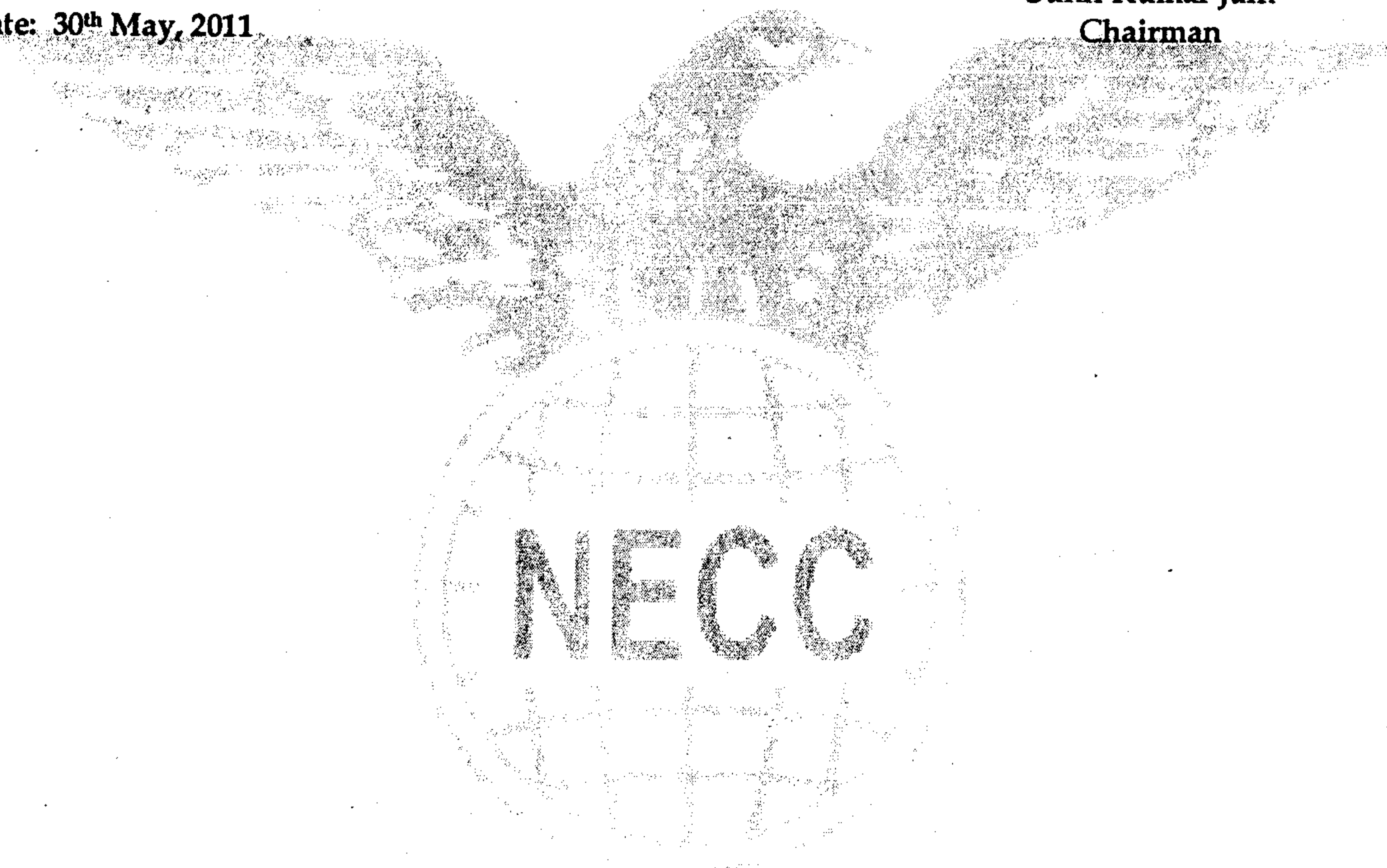
For and on behalf of Board of Directors



Sunil Kumar Jain
Chairman

Place: Delhi

Date: 30th May, 2011



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MANAGEMENT DISCUSSION AND ANALYSIS (As per clause 49 of listing agreement)

INDIAN ROAD TRANSPORT INDUSTRY

The road transport contributes to 65 % of the total freight traffic out. The National Highways accounts for 2% of total road network of the country and carrying 40% of total goods and passengers. 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. As per Planning Commission report, the last four year growth rate of GDP and freight movement by road transport goes parallel with 9% rate.

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 of Rs. 115 crore (approx.) for the finance year 2010-11. This period shall ever be remembered as the great global recession period which adversely affects not only the global economy but also Indian too. The recession had crushed the economy, resulting market liquidity crunch, slow productivity, retrenchment, higher inflation rate etc. In comparison to global market and its players, the indigenous industry and service sector was less affected by the recession. During the period the company had not only enhances its turnover but also its client base and its fleet.

Targeting to Telecom based clients the company has established a new division i.e. "NECC Telecom" during the year and associated with major telecom companies.

The company's strategy is well thought of and in line with domestic market trend and industry. The company is growing its traditional parchoon 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)

Threat of recession slow downs the economy's expectations. But the changing economic and business conditions, reduced price hikes, increased demand driving the good business prospect in near future. Global bailout packages and government assistance, is now injecting a hope in industry and the consumers. The company's opportunity of sustainable growth and profitability emerges from increased consumer demand and supply of their need.

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. Out of total estimated investment of Rs. 230k crore in infrastructures by Planning Commission, 15% is for road transport infrastructure. 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 15-35 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.
- Less or non-qualified workforce is the major weakness of industry as well as 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. .
- 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

- Infrastructural Development Investment policies of Central & State governments shall result in higher growth opportunity for transportation business.
- New client base, Telecommunication Industry.
- 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 inform 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.
- Now a day both economy and industry is facing severe recession, hence become difficult to sustain the business & its growth at par.

INTERNAL CONTROL SYSTEM

The company has proper 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. Since the company is one of the pioneers in the industry and among one form its kind of operations, its business is not likely to be materially altered by the entry of new players. The company always keeps itself changing with the changed environment of operation, technology and innovative ideas. Despite, in the challenging environment of the industry, company expect to sustain this tempo over the foreseeable future.

CONTINGENT LIABILITIES

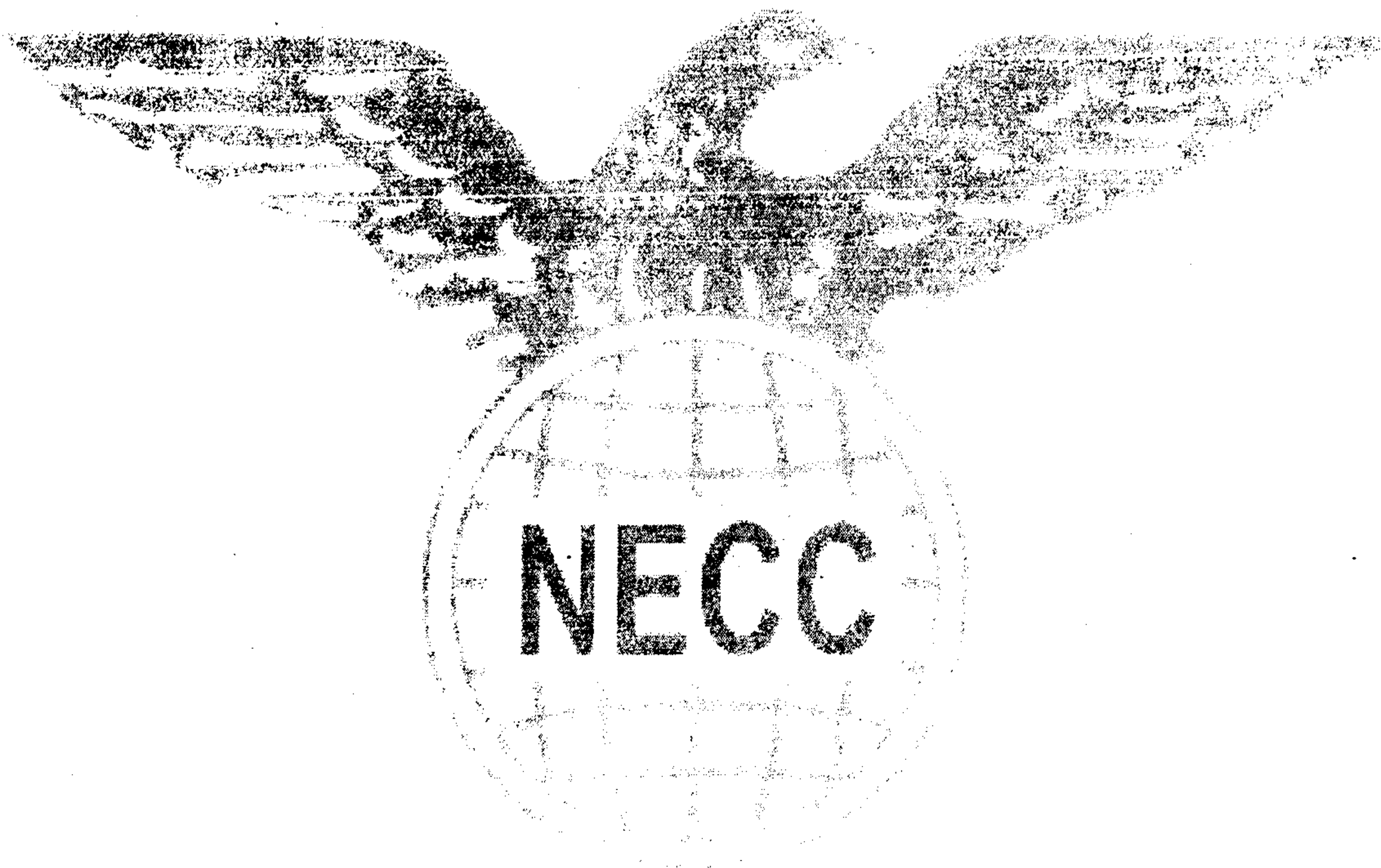
The details of the company's contingent liabilities are given in note no 8 of schedule 14 Attached to and forming part of the Balance Sheet as on 31st March 2011.

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

NORTH EASTERN CARRYING CORPORATION LIMITED

company operates. Changes in govt. regulations, policies and other statutes including tax laws are other incidental factors to the growth of company.



9062/47 Ram Bagh Road
Azad Market, Delhi 110006

North Eastern Carrying Corporation Limited

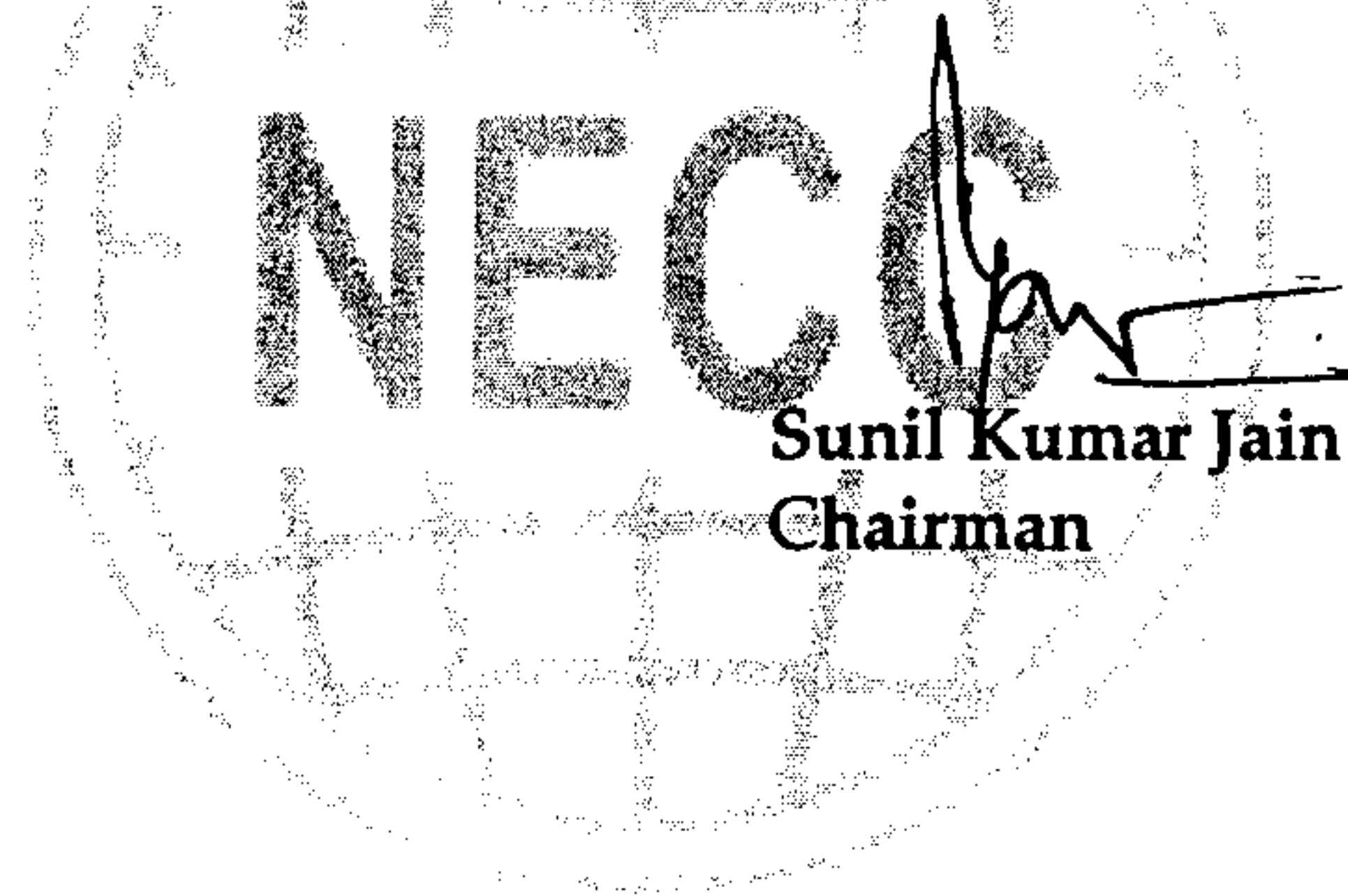
NORTH EASTERN CARRYING CORPORATION LIMITED

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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: 30th May, 2011



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 31st March 2011, 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 31st March, 2011, 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
Proprietor
M. No. 091534
Firm No. : 012619N

Place: New Delhi
Date: 30th May, 2011

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 2010-11. 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: 30th May, 2011





AUDITOR'S REPORT

We have audited the attached Balance Sheet of NORTH EASTERN CARRYING CORPORATION LIMITED as at March 31st, 2011, the attached Profit and Loss Account 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, Profit & Loss Account 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 Profit and Loss Account, 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 31st, 2011 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 31st, 2011 and
 - (ii) In the case of the Profit and Loss Account of the profit of the company for the year ended 31st March, 2011
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on March 31, 2011

For M/s Sanghi & Company
Chartered Accountants
Firm No: 012619N

(Ram Kishan Sanghi)
Proprietor
M. No. 091534

Date: 30.05.2011
Place: Delhi

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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 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 per information furnished to us, The Company is maintaining proper records 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 taken unsecured loans from the companies, firms or other parties covered in the register U/s. 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.124.50 Lacs and the year-end balance of loans taken from such parties was NIL. Number of Parties from whom such loans were taken was Four.
 - (f) In our opinion, the rate of interest and other terms & conditions on which loans have been taken from the companies, firms or other parties covered in the register U/s. 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- h

- (g) The company is regular in repaying the principal amounts as stipulated.
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 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, Fringe Benefit Tax and Service Tax within in time to the appropriate authorities.

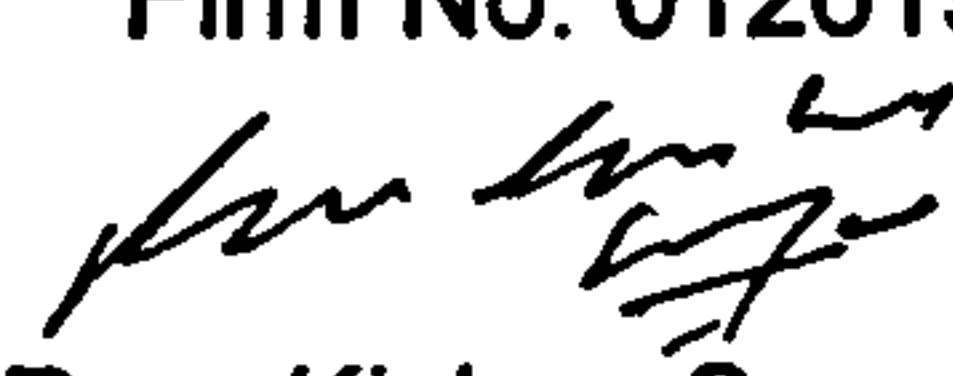
(b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Fringe Benefit Tax and Service Tax were in arrears, as at 31.03.2011 for a period of more than six months from the date they become payable.

(c) According to the information and explanation given to us, there are no dues of Income Tax, Wealth Tax, Fringe Benefit 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.

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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. In our opinion, 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: 30.05.2011
Place: Delhi

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For M/s Sanghi & Company
Chartered Accountants
Firm No: 012619N

(Ram Kishan Sanghi)
Proprietor
M. No. 091534

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NORTH EASTERN CARRYING CORPORATION LIMITED
BALANCE SHEET AS ON 31.03.2011

<u>PARTICULARS</u>	<u>Sch.</u> <u>No.</u>	<u>As At</u> <u>31.03.2011</u> <u>Amt.(in Rs.)</u>	<u>As At</u> <u>31.03.2010</u> <u>Amt.(in Rs.)</u>
(I) SOURCES OF FUNDS:			
Shree Ganesh Jee Maharaj		1,101	1,101
Share Capital	1	125,493,340	125,493,340
Reserves & Surplus	2	324,055,179	274,908,843
<u>Loan Fund</u>			
Secured Loans	3	464,626,621	347,725,878
Unsecured Loans	4	-	8,450,000
Deferred Tax Liability (Net)		7,604,576	5,575,738
Total		<u>921,780,817</u>	<u>762,154,900</u>
(II) APPLICATIONS OF FUNDS:			
<u>FIXED ASSETS</u>			
Gross Block	5	310,893,528	264,049,725
Less: Depreciation		117,460,304	96,954,031
Net Block		<u>193,433,224</u>	<u>167,095,694</u>
<u>INVESTMENTS</u>			
		-	-
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories		-	-
Sundry Debtors	6	615,151,275	508,647,525
Cash & Bank Balances	7	52,733,921	51,768,092
Loans & Advances	8	157,958,600	125,147,684
		825,843,796	685,563,302
<u>LESS : CURRENT LIABILITES & PROVISIONS</u>	9	97,496,202	90,504,096
Net Current Assets		<u>728,347,594</u>	<u>595,059,206</u>
<u>MISCELLANEOUS EXPENDITURE</u>			
(To the extent not written off or adjusted)		-	-
Total		<u>921,780,817</u>	<u>762,154,900</u>

Notes to the account and significant
accounting policies

14

Auditor's Report

As per our seprate report of even date attached
For M/s Sanghi & Company

Chartered Accountants

Firm No : 012619N



(Ram Kishan Sanghi)

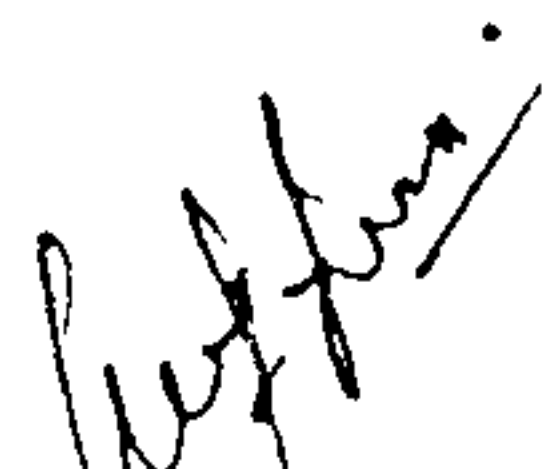
Proprietor


M No. 091534

Place: Delhi

Date: 30.05.2011


(Sunil Kumar Jain)
Director


(Manoj Kumar Jain)
Director


(S. L. Yadav)
(Vice President)

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NORTH EASTERN CARRYING CORPORATION LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2011

<u>PARTICULARS</u>	<u>Sch.</u> <u>No.</u>	<u>As At</u> <u>31.03.2011</u> <u>Amt. In Rs.</u>	<u>As At</u> <u>31.03.2010</u> <u>Amt. In Rs.</u>
(I) INCOME			
Freight		4,135,275,501	3,157,061,716
Demurages		3,417,091	1,149,080
Profit on Sale of Fixed Assets		2,899,243	1,312,536
Other Income	10	3,373,836	22,266,851
Total A		<u>4,144,965,671</u>	<u>3,181,790,183</u>
(II) EXPENDITURE			
Operating/Direct Cost	11	3,819,337,041	2,908,837,700
Employees Remuneration & Benefits	12	73,080,317	68,739,530
Administrative & Other Expenses	13	148,865,042	128,150,889
Depreciation	5	30,952,727	25,087,231
Total B		<u>4,072,235,128</u>	<u>3,130,815,350</u>
Profit for the Year		72,730,543	50,974,833
(Less): Provision for Income Tax		(22,043,455)	(17,200,000)
(Less): Provision for Wealth Tax		(25,000)	(25,000)
(Less): Provision for Deferred Tax		(2,028,838)	(419)
Add/(Less): I. Tax/W. Tax/FBT Adjustments earlier years		513,086	(1,310,318)
Profit after tax		<u>49,146,336</u>	<u>32,439,096</u>
Profit Brought Forward		<u>122,959,972</u>	<u>90,520,876</u>
Balance of Profit C/F to the Balance Sheet		<u>172,106,308</u>	<u>122,959,972</u>

Notes to the account and significant accounting policies

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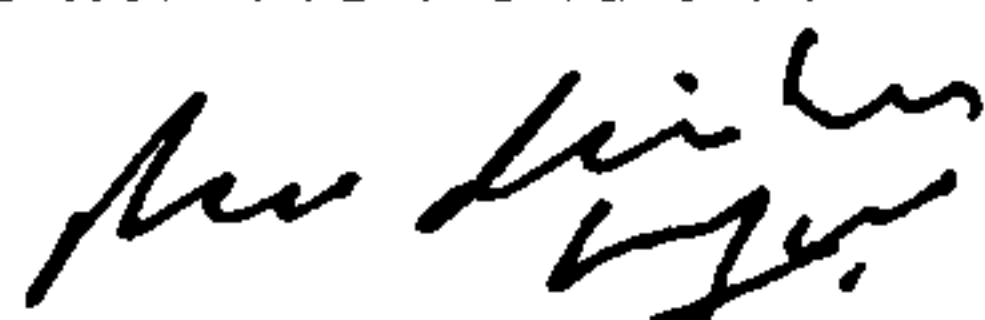
Auditor's Report

As per our separate report of even date attached

For M/s Sanghi & Company

Chartered Accountants

Firm No : 012619N

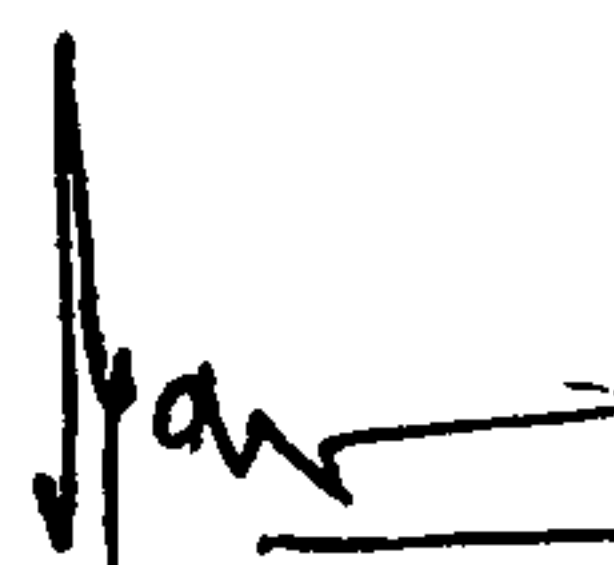

(Ram Kishan Sanghi)

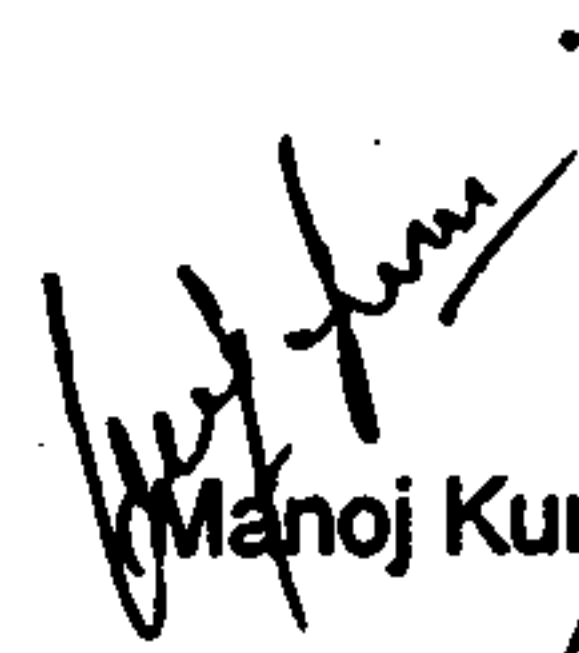

Proprietor

M No. 091534

Place: Delhi

Date: 30.05.2011


(Sunil Kumar Jain)
Director


(Manoj Kumar Jain)
Director

(S. L. Yadav)
(Vice President)

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NORTH EASTERN CARRYING CORPORATION LIMITED

SCHEDULE - 5 : FIXED ASSETS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS ON MARCH 31ST, 2011

Amount In Rupees

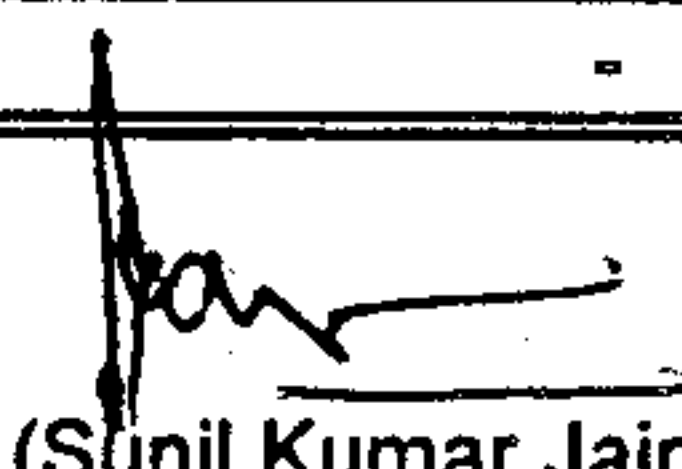
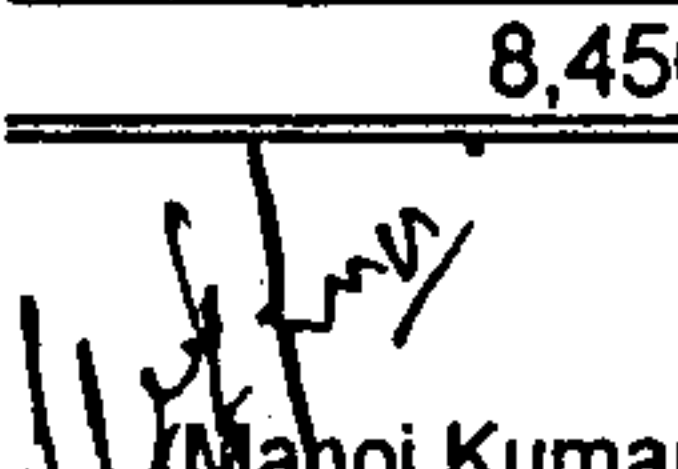
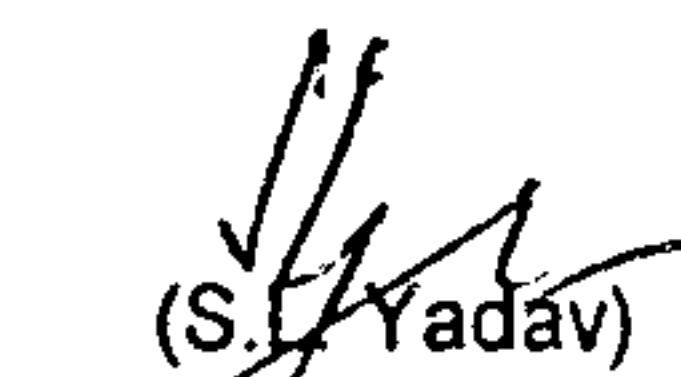
Particulars	RATE (W.D.V) (%)	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As At 01.04.10	Addition during the Yr.	Sale/Adjust during the Yr.	As At 31.03.11	As At 01.04.10	Sale Adjustment	For the Year	As At 31.03.11	As At 31.03.11	As At 31.03.10	
Land	-	1,408,664	-	-	1,408,664	-	-	-	-	-	1,408,664	1,408,664
Goodwill	-	53,374,000	-	-	53,374,000	-	-	-	-	-	53,374,000	53,374,000
Buildings	5.00	24,846,332	-	-	24,846,332	5,568,470	-	963,893	6,532,363	18,313,969	19,277,862	
Car & Scooter	25.89	19,767,123	11,209,691	4,192,707	26,784,107	10,346,293	2,864,239	3,005,679	10,487,733	16,296,374	9,420,830	
Air Conditioner & Cooler	13.91	2,226,038	72,687	-	2,298,725	1,118,301	-	161,286	1,279,587	1,019,138	1,107,737	
Electrical Fittings & Inst.	13.91	705,801	163,186	8,400	860,587	328,920	8,400	65,930	386,450	474,137	376,881	
Generators	13.91	1,164,426	111,399	-	1,275,825	572,449	-	90,219	662,668	613,157	591,977	
Weighing Scale	13.91	267,702	20,325	-	288,027	196,505	-	10,753	207,258	80,769	71,197	
Cycles	20.00	133,692	18,300	-	151,992	86,888	-	10,244	97,132	54,860	46,804	
Office Equipments	13.91	4,207,714	166,405	-	4,374,119	2,262,467	-	282,227	2,544,694	1,829,425	1,945,247	
Computer HMV & SMV	40.00	24,991,786	1,500,093	2,200	26,489,679	21,070,852	2,200	1,850,428	22,919,080	3,570,599	3,920,934	
Furniture & Fixture	18.10	10,401,325	269,222	-	10,670,547	7,024,535	-	634,882	7,659,417	3,011,130	3,376,790	
Typewriter	13.91	1,797	-	-	1,797	1,483	-	44	1,527	270	314	
Lorries & Trucks	16.21 (SLM)	120,553,325	48,572,706	11,056,904	158,069,127	48,376,868	7,571,615	23,877,142	64,682,395	93,386,732	72,176,457	
Total		264,049,725	62,104,014	15,260,211	310,893,528	96,954,031	10,446,454	30,952,727	117,460,304	193,433,224	167,095,694	
Previous Year		248,517,753	20,820,208	5,288,236	264,049,725	76,040,672	4,173,872	25,087,231	96,954,031	167,095,694	172,477,080	

For North Eastern Carrying Corporation Limited
 (Sunil Kumar Jain) Director
 (Manoj Kumar Jain) Director

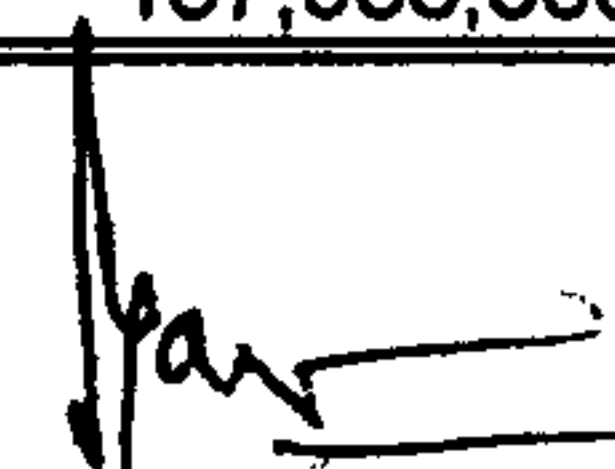

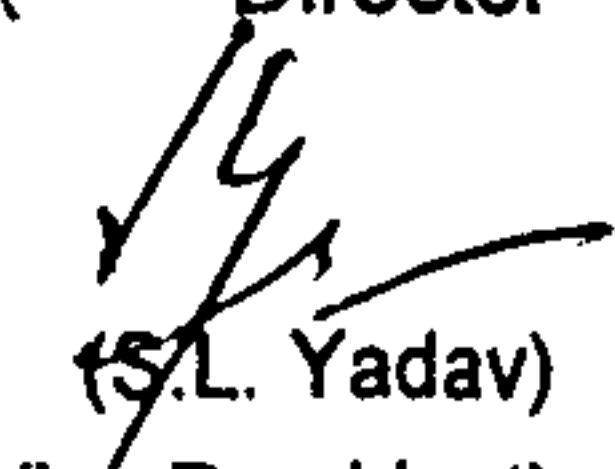
(S.L. Yadav)
 (Vice President)

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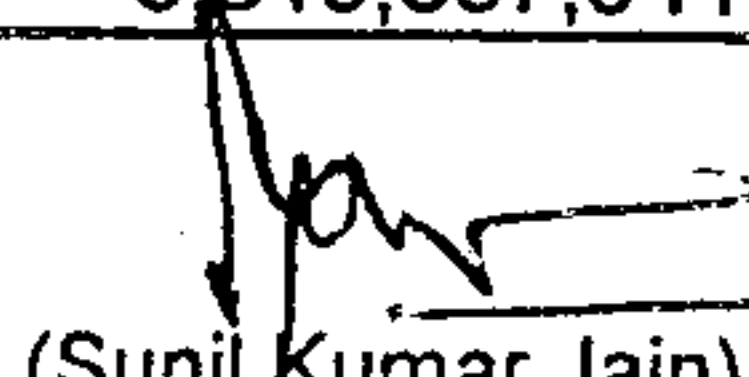
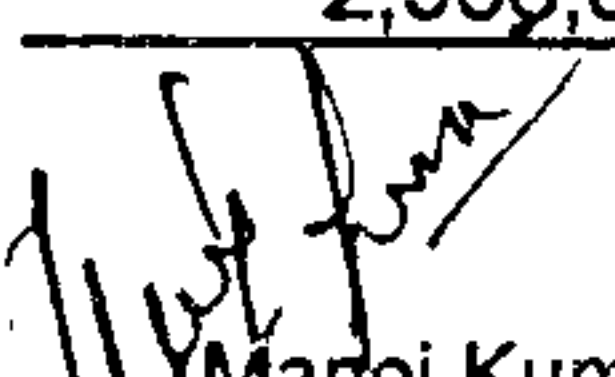

NORTH EASTERN CARRYING CORPORATION LIMITED
Schedules forming part of Balance Sheet and Profit & Loss A/c.
for the year ended 31st March, 2011

	<u>As At</u> <u>31.03.2011</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2010</u> <u>Amt.(In Rs.)</u>
<u>Schedule -1: Share Capital</u>		
<u>Aurhorised Capital</u>		
13500000 (13500000) Equity Shares of Rs. 10/- Each	135,000,000	135,000,000
<u>Issued, Subscribed & Paid Up Capital</u>		
12549334 (12549334) Equity Shares of Rs. 10/- Each	125,493,340	125,493,340
	125,493,340	125,493,340
<u>Schedule -2: Reserves & Surplus</u>		
General Reserve	61,948,871	61,948,871
Security Premium Account	90,000,000	90,000,000
Profit & Loss A/c.	172,106,308	122,959,972
	324,055,179	274,908,843
<u>Schedule -3: Secured Loans</u>		
Axis Bank	-	123,777
BMW India Financial Services Limited	4,356,695	-
Citi Corp Finance (India) Limited	-	154,194
HDFC Bank Limited	49,714,504	26,937,817
ICICI Bank Limited	31,813	263,173
Kotak Mahindra Bank Limited	-	1,028,199
Reliance Capital Limited	7,167,827	4,169,406
Tata Motors Finance Limited	1,578,977	7,614,482
Tata Finance Limited	970,541	3,589,694
(Secured against hypothecation of Vehicle Financed)		
Citi Bank (OD A/c.)	-	121,779,201
Kotak Mahindra Bank (OD A/c)	113,872,511	-
Oriental Bank of Commerce (OD A/c.)	286,933,752	182,065,935
(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)		
	464,626,621	347,725,878
<u>Schedule -4: Unsecured Loans</u>		
Indika Agro Products Private Limited	-	2,350,000
N. E. C. C. Automobiles Private Limited	-	3,900,000
N. E. C. C. Securities Private Limited	-	2,200,000
	-	8,450,000
	-	8,450,000
	 (Sunil Kumar Jain) Director	 (Mahoj Kumar Jain) Director
		 (S. P. Yadav) (Vice President)

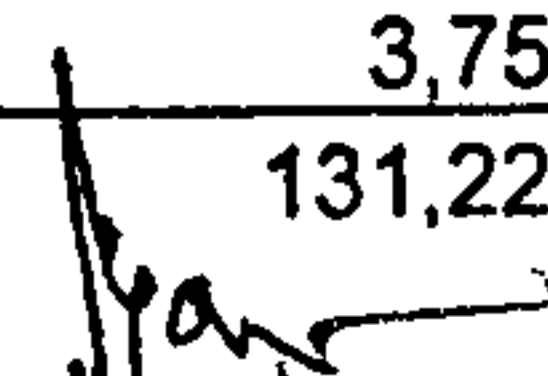
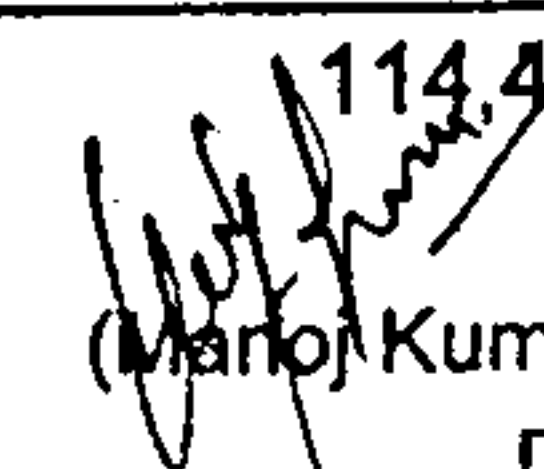
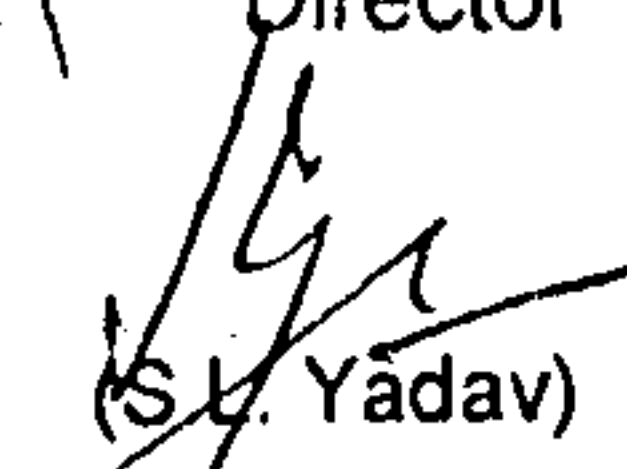
NORTH EASTERN CARRYING CORPORATION LIMITED
Schedules forming part of Balance Sheet and Profit & Loss A/c.
for the year ended 31st March, 2011

	<u>As At</u> <u>31.03.2011</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2010</u> <u>Amt.(In Rs.)</u>
<u>Schedule -6: Sundry Debtors</u>		
<i>(Unconfirmed, Unsecured and Considered Good)</i>		
Debts outstanding for more than six months	29,554,893	45,052,713
Others Debts	585,596,381	463,594,812
	615,151,275	508,647,525
 <u>Schedule -7: Cash & Bank Balances</u>		
Cash in Hand	5,612,012	2,400,775
Funds In Transit	7,949,513	7,065,649
Balance - In Current A/c (Scheduled Banks)	32,956,373	-
Balance - In Current A/c (Others)	302,021	35,627,277
Balance - In Fixed Deposits (Scheduled Banks)	5,914,003	6,674,392
	52,733,921	51,768,092
 <u>Schedule -8: Loans & Advances</u>		
<i>(Unconfirmed, Unsecured & Considered Good)</i>		
<i>(Advance recoverable in cash or in kind or for value to be recd.)</i>		
Security Deposits	103,199	66,764
Earnest Money Deposits	5,732,331	5,624,820
Land Lord Security Deposits	19,260,492	18,494,321
Other Advances	19,437,526	13,890,196
Staff Advances	11,529,892	14,178,244
Rates & Taxes Receivable	7,539,742	7,520,509
Prepaid Expenses & Recoverables	1,225,529	2,558,921
Paid Receivable	775,706	-
Advance Income Tax/TDS (AY 08-09)	-	10,562,260
Refund Due (AY 09-10)	1,811,405	20,494,919
Advance Income Tax/TDS (AY 10-11)	20,185,133	18,296,871
Advance Income Tax/TDS (AY 11-12)	20,509,077	-
Advance Fringe Benefit Tax (AY 09-10)	1,325,000	1,325,000
Hire Charges Not Accrued Not Due	-	17,223
Lorry Freight Advance	48,523,569	12,117,637
	157,958,600	125,147,684
	 (Sunil Kumar Jain) Director	 (Manoj Kumar Jain) Director  (S.L. Yadav) (Vice President)

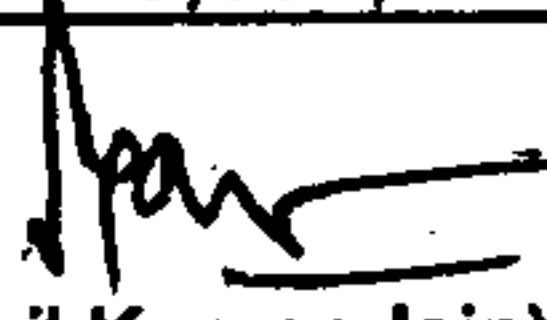


NORTH EASTERN CARRYING CORPORATION LIMITED
Schedules forming part of Balance Sheet and Profit & Loss A/c.
for the year ended 31st March, 2011

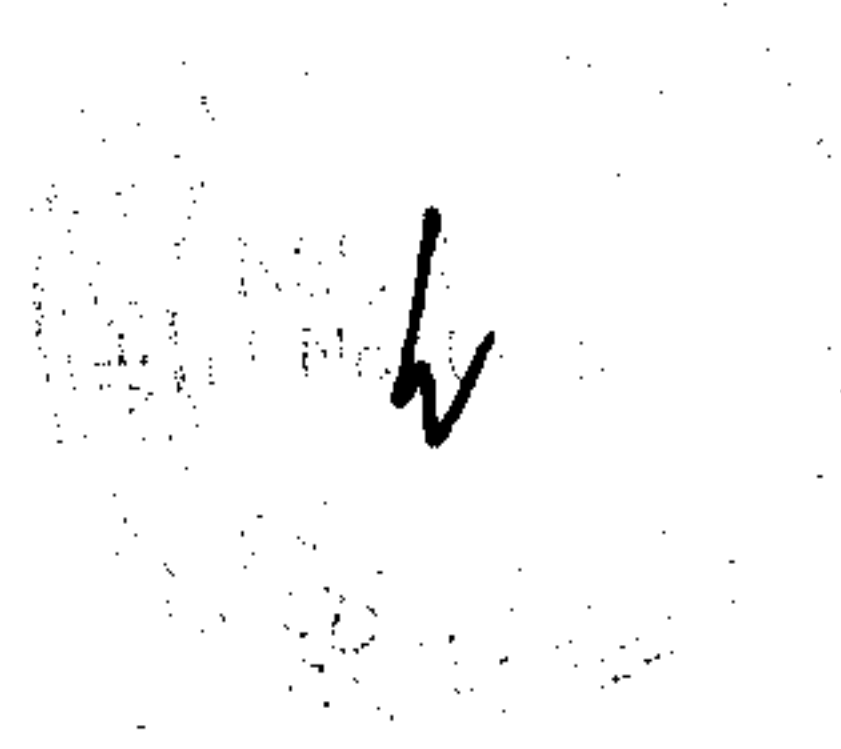
	<u>As At</u> <u>31.03.2011</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2010</u> <u>Amt.(In Rs.)</u>
<u>Schedule -9: Current Liabilities & Provisions</u>		
<u>Current Liabilities</u>		
Sundry Creditors	24,818,867	22,969,972
Security Deposits	175,234	270,565
E. S. I. Payable	209,056	121,470
Provident Fund Payable	578,309	524,287
Professional Tax Payable	7,413	6,591
T. D. S. Payable	2,030,351	1,353,381
Service Tax Payable	376,264	409,616
Bonus/ Ex-Gratia Payable	4,373,867	3,139,996
Leave Encashment Payable	1,987,221	1,988,778
Lorry Freight Payable	903,857	4,613,440
Claim Payable	1,294,530	909,497
Other Expenses & Liabilities Payable	7,886,447	6,170,286
Service Tax Not Received Not Due	965,433	74,264
 <u>Provisions</u>		
Provision for I. Tax (AY 2011-2012)	22,043,455	-
Provision for I. Tax (AY 2010-2011)	17,200,000	17,200,000
Provision for I. Tax (AY 2009-2010)	-	9,435,501
Provision for I. Tax (AY 2008-2009)	-	10,057,345
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	11,324,147	9,937,356
	<u>97,496,202</u>	<u>90,504,096</u>
 <u>Schedule -10: Other Income</u>		
LPO	-	3,828,337
Lorry Running & Maint. Income	-	17,796,932
Warehouse Charges	1,932,582	-
Interest Received	1,441,254	641,582
	<u>3,373,836</u>	<u>22,266,851</u>
 <u>Schedule -11: Operating/Direct Cost</u>		
Lorry Freight	3,807,614,461	2,894,522,877
Lorry Maintainance	1,374,860	-
Commission	5,227,560	5,108,719
Claims	5,120,160	9,206,103
	<u>3,819,337,041</u>	<u>2,908,837,700</u>
 (Sunil Kumar Jain) Director	 (Manoj Kumar Jain) Director	 (S.L. Yadav) (Vice President)

NORTH EASTERN CARRYING CORPORATION LIMITED
Schedules forming part of Balance Sheet and Profit & Loss A/c.
for the year ended 31st March, 2011

	<u>As At</u> <u>31.03.2011</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2010</u> <u>Amt.(In Rs.)</u>
<u>Schedule -12: Employees Remuneration & Benefits</u>		
Establishment Expenses	63,918,260	55,650,513
PF/ESI	5,101,864	4,593,172
Staff Welfare	2,107,937	2,161,962
Gratuity	1,897,982	6,266,975
Recruitment & Training Expenses	54,274	66,908
	<u>73,080,317</u>	<u>68,739,530</u>
<u>Schedule -13: Administrative & Other Expenses</u>		
Advertisement & Publicity	767,600	948,596
Bank Charges & Comm.	3,129,004	2,828,566
Bank Interest	47,820,949	42,327,315
Books & Periodicals	9,155	14,473
Business Promotion	36,397	97,527
Car Expenses	2,182,301	1,906,235
Conveyance & Scooter Petrol	1,749,609	1,680,040
Director's Remuneration	2,400,000	1,800,000
Diwali Expenses	898,552	1,251,593
Donation (80-G)	-	2,500
Electricity & Water Charges	4,176,872	3,820,504
Fees, Rates & Taxes	1,036,497	603,913
General Expenses	1,346,373	1,248,653
Generator Hire & Maintenance Charges	981,414	930,814
Insurance (Car)	202,747	68,993
Insurance (Others)	3,438,583	2,807,062
Interest on Late Deposit of Govt. Dues	107,310	237,635
Interest on Vehicle Loans	4,893,345	5,988,084
Interest on Car Loan	317,538	157,604
Internet Charges	156,181	266,141
Legal & Professional Expenses	2,990,251	2,248,020
Office Expenses	741,986	677,800
Packing & Forwarding Expenses	1,298,527	574,469
Payment to Auditors	40,000	40,000
Penalties Paid	12,594	2,000
Postage & Courier	1,557,134	1,499,066
Printing & Stationery	3,185,780	3,765,633
Rent	41,993,390	33,843,196
Repair & Maintenance	3,757,624	2,840,929
Balance c/f	<u>131,227,712</u>	<u>114,477,361</u>
	 (Sunil Kumar Jain) Director	 (Manoj Kumar Jain) Director  (S.L. Yadav) (Vice President)

NORTH EASTERN CARRYING CORPORATION LIMITED
Schedules forming part of Balance Sheet and Profit & Loss A/c.
for the year ended 31st March, 2011

	<u>As At</u> <u>31.03.2011</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2010</u> <u>Amt.(In Rs.)</u>
<u>Schedule -13: Administrative & Other Expenses</u>		
Balance b/f	131,227,712	114,477,361
Scholarship	130,500	115,000
Scooter Expenses	2,105,628	1,626,626
Security Charges	1,340,063	987,560
Subscriptions	463,351	270,590
Telephone Expenses	5,497,323	5,618,155
Travelling Expenses	8,100,464	5,055,597
	<u>148,865,042</u>	<u>128,150,889</u>
	 (Sunil Kumar Jain) Director	 (Manoj Kumar Jain) Director
		 (S.L. Yadav) (Vice President)



NORTH EASTERN CARRYING CORPORATION LIMITED
Schedule -14: Notes to Accounts & Significant Accounting Policies
for the year ending 31.03.2011

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) BASIS OF ACCOUNTING:

- The company follows mercantile system of accounting recognizing Income & Expenditure on accrual basis. However, demurrage is accounted for on cash basis. The accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to specifically are otherwise consistent with the generally accepted accounting principles.

(b) REVENUE RECOGNITION:

- Income of Delivery Freight is accounted for on accrual basis. This coincides with delivery of goods or reaching of goods carried on behalf of the clients in the godowns of the company at destinations, whichever is earlier.

(c) DEPRECIATION:

- Depreciation has been provided in the accounts for the year at the rates provided in Schedule -XIV to the Companies Act, 1956 on WDV Method and in respect of Lorries & Trucks on Straight Line Method. Pro-rata depreciation has been provided on assets acquired/sold during the year. Depreciation is charged from the date of assets are put to use.

(d) FIXED ASSETS:

- Fixed Assets are valued at cost. They are stated at historical costs in the books of account. All costs directly relating to acquisition and installation of assets is capitalised.
- In case of very old and immaterial amount of assets which has been sold during the year and whose costs and WDV are not identifiable it has been assumed that their costs has been fully amortised therefore, the whole of the sale proceeds has been taken as profit on sale of fixed assets.
- Goodwill is being recorded in the books of account as per accounting treatment laid down in AS10 issued by ICAI. The Management has decided not to amortise goodwill and it is being retained as an asset.

(e) CLAIMS:

- The company provides for shortage/losses as claims in the accounts on the basis of payment or settlement of claim whichever is earlier. The recovery against such losses, if any, is taken as income of the year in which it is recovered. Insurance, if any and admissible, is accounted for on accrual basis. The insurance claims are deemed to accrue on the date on which claims are admitted by Insurance Company.

(f) RETIREMENT BENEFITS:

- Contribution to Provident Fund, ESI etc. is charged to Profit & Loss Account

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- The company has made provisions for Gratuity liability on accrual basis. The provision for Gratuity has been made based on estimates made by the Company Management.

(g) LEASES:

- Leases, where the Lessor retains substantially all the risks and rewards incidental to the ownership are classified as Operating Leases. Operating Lease payments are recognized as an expense in Profit & Loss Account on Straight Line Basis over the Lease Term.

(h) TAXATION:

- Tax Expenses (tax saving) is the aggregate of current year tax and deferred tax charged (or credited) to the Profit & Loss A/c. of the year.
- Deferred tax is recognized, on timing differences, being the differences resulting from the recognition of items in the financial statements and in estimating its current income tax provision.
- Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted on the Balance Sheet date.
- Provision for Wealth Tax has been made on estimated basis.

(i) CONTINGENT LIABILITIES:

- Contingent liabilities are disclosed by way of note in the Balance Sheet.

2. 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.

3. Additional information pursuant to the provisions of paragraphs 3 & 4 of part II Schedule VI of the Companies Act, 1956.

	<u>Current Year</u>	<u>Previous Year</u>
(a) Value of Imports on CIF basis	NIL	NIL
(b) Expenditure in Foreign Currency	Rs 5,83,294/-	NIL
(c) Value of Imported Raw Materials, Spare Parts & Components	NIL	NIL
(d) Earning in Foreign Exchange	NIL	NIL
(e) FOB Value of Exports	NIL	NIL
(f) The business of the company is such that there is no licensed or installed capacity, no raw material or components.		

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

5. 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.

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6. Remuneration to Directors Rs.24,00,000/- (Previous Year Rs. 18,00,000/-)
7. Payment to Auditors Amt. In Rs.
Audit Fee & Corporate Matters Rs.40,000/- (Previous Year Rs.40,000/-)
8. Contingent Liability not provided for:
 - (a) In Respect of Bank Guarantees issued by the bank on behalf of the company Rs.3,76,97,899/-.
 - (b) For claims/shortage not ascertained or settled nor lodged during the year. Claims lodged by customers but not settled by the company Rs.19,07,815/-.
 - (c) Approximate Liability on account of major cases filed against the company in various courts aggregating to Rs.1,78,50,671/-
9. Sundry Debtors include freight receivable against GRs issued during the year.
10. Tax Deducted at Source (A.Y. 2011-2012) is not final as more TDS Certificates might be received by the company in future.
11. Out of paid up capital of the company, 999904 Equity Shares of Rs.10/- each fully paid have been allotted for a consideration otherwise than in cash pursuant to a scheme of amalgamation on 04.03.1999 as approved by Hon'ble High Court at New Delhi and 5424730 Equity Shares of Rs.10/- each fully paid have been allotted for consideration otherwise than in cash pursuant to succession agreement dated 01.04.2000 and further 5125000 Equity Shares of Rs.10/- each fully paid have been allotted for a consideration otherwise than in cash pursuant to a scheme of amalgamation on 19.03.2002 as approved by Hon'ble High Court at New Delhi.

12. Deferred Tax Liability (Net): (Amount In Rupees)

Particulars	Deferred Tax Assets/(Liability) As on 01.04.2010	Deferred Tax Credit/(Charge) for the year	Deferred Tax Asset/(Liability) as at 31.03.11
On account of difference between book & tax Dep.	(88,76,679)	(24,02,016)	(1,11,278,695)
Gratuity	33,00,941	3,73,178	3,674,119
Total	(57,75,738)	(22,09,898)	(76,04,576)

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

13. 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 Pvt. Ltd.
 - d. N. E. C. C. Automobiles Pvt. Ltd.
 - e. PTrans Logistics India Pvt Ltd
 - f. PKJ Infra Logistics Pvt Ltd

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- g. PTrans Freight Systems Private Limited
- h. Shreyans Buildwell Private Limited
- i. Shreyans Buildtech Private Limited
- j. Shreyans Logistics Private Limited
- k. Indika Agro Products Private Limited
- l. Jaswant Rai Jain & Sons (HUF)
- m. Sunil Kumar Jain & Sons (HUF)

Nature of Transactions	Amount (Rs.)
Loans Received including Opening Balance	1,24,50,000/-
Total Loan Repaid	1,24,50,000/-
Rent Paid	18,78,560 /-

□ Key Management Personnel and their relatives

- a. Shri Jaswant Rai Jain
- b. Smt. Darshan Mala Jain
- c. Shri Sunil Kumar Jain
- d. Smt. Vanya Jain
- e. Shri Praveen Kumar Jain
- f. Smt. Kalpana Jain
- g. Shri Sanjeev Jain
- h. Smt. Sangeeta Jain

Nature of Transactions	Amount (Rs.)
Payment of Rent	44,70,000/-
Directors Remuneration (excluding perquisite)	24,00,000/-
Security Deposits (Closing Balance)	70,30,000/-

14. Earning Per Share (EPS):

	F. Y. 2010 -11	F. Y. 2009 -10
a) Calculation of weighted average number of equity shares of Rs.10/- each		
Number of Shares at the beginning of the Year	1,25,49,334	1,25,49,334
Total Equity Shares outstanding at year end	1,25,49,334	1,25,49,334
Weighted average number of equity shares outstanding during the year	1,25,49,334	1,25,49,334
b) Net Profit After Tax (Available for Equity Shareholders)	4,91,46,336-	3,24,39,096/-
c) Basic Earning Per Share	Rs.3.92	Rs.2.58
d) Diluted Earning Per Share	Rs.3.92	Rs.2.58

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- 15. 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.
- 16. The debit and credit balances standing in the name of parties are subject to confirmation from them.
- 17. 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.
- 18. Previous year figures have been regrouped/ reclassified wherever necessary.
- 19. Naye Paise have been ignored.
- 20. Schedule 1 to 14 are an integral forming part of Balance Sheet as on 31.03.2011.
- 21. 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)
 Director


 (Manoj Kumar Jain)
 Director


 (S.L. Yadav)
 (Vice President)

Place Delhi

Date: 30.05.2011

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NOTICE

Notice is hereby given that the Twenty-sixth Annual General Meeting of shareholders of North Eastern Carrying Corporation Limited will be held on Friday, 2nd day of September, 2011 at the registered office of the company at 9062/42, Ram Bagh Road, Azad Market, Delhi-110006 at 10:30 am to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31st, 2011 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 Sh. Praveen 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 Sh. Sanjeev Jain, 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, the following resolution as an ordinary resolution:

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

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


Sunil Kumar Jain
Chairman


Manoj Kumar Jain
Director

Place: Delhi
Date: 30th May, 2011

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 29th DAY OF AUGUST 2011 TO 2nd DAY OF SEPTEMBER 2011 (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.

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

ITEM NO. 5

Mr. Utsav Jain was appointed additional director pursuant to the provision of section 260 of the Companies Act, 1956, by the Board of Directors at its meeting held on 04.01.2011. The term of Mr. Utsav Jain as additional director expires at the ensuing Annual General Meeting. However, the company has received a notice under section 257(1) of the companies Act 1956 proposing Mr. Utsav Jain as director. The Board recommends the resolution for shareholders approval.

Mr. Utsav Jain, director is interested in the resolution.

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

Place: Delhi
Date: 30th May, 2011


Sunil Kumar Jain
Chairman


Manoj Kumar Jain
Director

