



CIN:L51909DL1984PLC019485

Registered Office: 9062/47, NECC House, Ram Bagh Road, Azad Market, New Delhi, Delhi, 110006

Q2 FY22 – Earnings Update

Revenue from Operations reported at **Rs. 547.99 Mn in Q2 FY22** and **Rs. 1,252.13 Mn for H1 FY22**

EBITDA stands at **Rs. 42.64 Mn in Q2 FY22** and **Rs.68.72 Mn for H1 FY22**

PAT at **Rs. 11.43 Mn in Q2 FY22** and **Rs. 18.62 Mn for H1 FY22**

New Delhi, 15th November, 2021: North Eastern Carrying Corporation (NECC), a one of the leading Logistics Management Solutions Company in North East India, Nepal, Bhutan & Bangladesh, in its board meeting held on 12th November 2021 has inter-alia considered and approved the Unaudited Financial Results of the Company for the Second Quarter Ended on 30th September 2021 as one of its agenda.

Financial Statement Highlights for Q2 FY22 v/s Q2 FY21

Particulars (INR MN)	Q2 FY 22	Q2 FY 21
Revenue from Operations	547.99	593.61
Other Income	0.13	7.94
Total Revenue	548.13	601.55
Total Expenses	534.38	592.84
EBITDA	42.64	23.26
EBITDA Margin (%)	7.78%	3.92%
Depreciation	9.44	6.74
Finance Cost	19.59	15.75
PBT with Exceptional Item	13.75	8.71
Exceptional Items	0.00	0.00
PBT	13.75	8.71
Current Tax	3.47	0.00
Deferred Tax	1.15	0.00
Tax	2.32	0.00
PAT	11.43	8.71
Other comprehensive profit / loss	0.00	0.00
Net PAT	11.43	8.71
PAT Margin %	2.09%	1.47%
Diluted EPS	0.23	0.00

Financial Performance Comparison – Q2 FY22 v/s Q2 FY21

- Revenue from operations **decreased by 7.68%** from ₹593.61 Mn in Q2 FY21 to ₹547.99 Mn in Q2 FY22
- The EBITDA **increased by 83.33%** from ₹23.26 Mn in Q2 FY21 to ₹ 42.64 Mn in Q2 FY22
- Net profit stood at ₹11.43 Mn in Q2 FY22, compared to 8.71 Mn in Q2 FY21
- PAT margins **increased to 2.09%** in Q2 FY22 from 1.47% in Q2 FY21

Financial Statement Highlights for H1 FY22 v/s H1 FY21

Particulars (INR MN)	H1 FY 22	H1 FY 21
Revenue from Operations	1,252.13	925.76
Other Income	0.94	9.76
Total Revenue	1,253.06	935.52
Total Expenses	1,229.73	959.12
EBITDA	68.72	17.25
EBITDA Margin (%)	5.49%	1.86%
Depreciation	15.51	14.51
Finance Cost	30.81	36.11
PBT with Exceptional Item	23.34	-23.60
Exceptional Items	0.00	0.00
PBT	23.34	-23.60
Current Tax	5.87	0.00
Earlier Years	0.00	0.00
Deferred Tax	1.15	0.00
Tax	4.72	0.00
PAT	18.62	-23.60
Other comprehensive profit / loss	0.00	0.00
Net PAT	18.62	-23.60
PAT Margin %	1.49%	-2.55%
Diluted EPS	0.37	-0.47

Financial Performance Comparison – H1 FY22 v/s H1 FY21

- Revenue from Operation recorded a growth by **35.25%** from Rs. 925.76 Mn in H1 FY21 to Rs. 1252.13 Mn in H1 FY22
- The EBITDA has **increased by 298.39%** from Rs. 17.25 Mn in H1 FY21 to Rs. 68.72 Mn in H1 FY22 and the EBITDA margins recorded a growth from 1.86% in H1 FY21 to 5.49% in H1 FY22
- Net profit stood at Rs. 18.62 Mn in H1 FY22, compared to Rs. -23.60 Mn in H1 FY21 recording a growth of **178.88 %**

- Current Asset stood at **Rs. 1927.29 Mn** in H1 FY22, compared to **Rs. 1673.32 Mn** in H1 FY21
- Long term borrowing stood at **Rs. 7.20 Mn** in H1 FY22, compared to **Rs. 63.63 Mn** in H1 FY21 and Short-term borrowing at **Rs. 969.31 Mn** in H1 FY22, compared to **Rs. 687.63 Mn** in H1 FY21
- Finance Cost **decreased by 14.69%** from **Rs. 36.11 Mn** in H1 FY21 to **Rs. 30.81 Mn** in H1 FY22

Commercial Update

Rights Issue: - On 19th October, 2021, the Board has approved the proposal for issuance of equity shares of face value of Rs.10.00/- for an amount of Rs. 49,50,00,000/- (Indian Rupees Forty-Nine Crore Fifty Lakhs Only) through a Rights Issue to eligible equity shareholders of the company as on record date.

Management Comments

Commenting on the performance of Q2 FY22, Mr. Sunil Kumar Jain, Chairman & Managing Director, said *“NECC has delivered a strong quarter backed by re-opening of the economy post the national lockdown in the first quarter of FY22. The PAT margins have increased to 1.49% with a total Revenue being 1253.06 Mn for H1 FY22. We have also successfully reduced our long-term Borrowing to less than half from 15.94 Mn in FY21 to 7.19 Mn in H1 FY22. The re-opening of business across the country has led to an increased demand for logistics services especially in the corporate sector. With the nation’s strong efforts to minimize the effects of the pandemic and overall reduction in the number of Covid-19 cases we expect a considerable growth in revenue in the upcoming half of FY22.*

NECC aims to become the leading service provider of seamless transit of material across national and international borders using multimode solutions for a speedier movement at the lowest cost. Our familiarity & strong hold over the challenging terrain of North East India, makes NECC the foremost choice for any logistics activity in the seven sister States. We also plan to cover additional routes to ensure optimum utilization of resources, with the main focus being the PTL business (Partial Truck Load) as it generates the highest margins in the transport business. We believe in providing customized solutions to all our customers so as to make transportation and logistics a hassle-free activity for all. Moreover, our 3PL & warehousing services ensure that customers get all logistics related services under a single banner.

One of the major set-backs experienced by us has been the reduction of Bulk operations segment due to stoppage of the coal mines in Orissa. However, with the government auction of these closed mines we expect the bulk operations segment to resume by end of Q3 FY22. Also, we have plans to

de-bottleneck the entire operation by reducing the working capital cycle of the business. We plan to introduce better debt collection strategies, increase banking effectiveness and negotiate longer credit terms to reduce our working capital requirements.

NECC plans to increase its reach to 500 locations in India by end of FY23. With our complete portfolio of logistic services, strong network of national and international routes supported by highly experienced and talented operational team, we foresee an extremely positive outlook for the company for FY22.”

About North Eastern Carrying Corporation

North Eastern Carrying Corporation Ltd was incorporated in 1964, currently under the leadership of Mr. Sunil Jain, headquartered in New Delhi, India. North Eastern Carrying Corporation Ltd is engaged in providing Comprehensive Logistics Management Solutions to the North Eastern States, Nepal, Bhutan & Bangladesh. It mainly provides services like PTL (Part truck load), FTL (Full truck load), Bulk operations along with 3PL logistics & warehousing services. The Company has more than 250 operational set ups PAN India. North Eastern Carrying Corporation Ltd is specialized in providing goods transportation in the challenging parts of North East India.

For further information on the Company, please visit www.neccgroup.com

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