

NORTH EASTERN CARRYING COPORATION LIMITED

C.O.: "NECC House" 9062/47, Ram Bagh Road, Azad Market, Delhi-110006

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Shareholders of NORTH EASTERN CARRYING CORPORATION LIMITED will be held on Tuesday, 31st day of August, 2010 at the Registered Office of the Company at 9062/47, Ram Bagh Road, Azad Market, Delhi – 110006 at 10.30 A. M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31st, 2010 and the Profit & Loss Account for the year ended on that date together with the Auditor's Report and Director's Report thereon.
2. To appoint a director in place of Shri Kamal Vishal Chand Jain who retires by rotation and being eligible offers himself for reappointment on the existing terms & conditions.
3. To appoint a director in place of Shri Manoj Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
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 ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provision of section 257 of the Companies Act, 1956 Mr. Mohak 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.

6. To Consider and, if thought fit, to pass with or without modification(s) the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 255 and section 268 of the Companies Act, 1956 and all other rules, orders, notifications and clarifications made in this behalf and all applicable clauses of Articles of Association of the Company, the term of office of Shri Jaswant Rai Jain as a director of the Company shall not be subject to liable to retirement by rotation."

7. To Consider and, if thought fit, to pass with or without modification(s) the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 255 and section 268 of the Companies Act, 1956 and all other rules, orders, notifications and clarifications made in this behalf and all applicable clauses of Articles of Association of the Company, the term of office of Mr. Sunil Kumar Jain as a director of the Company shall not be subject to liable to retirement by rotation."

On behalf of the Board of Directors of
NORTH EASTERN CARRYING CORPORATION LIMITED

Place: Delhi
Date: 29.05.2010

(Sunil Kumar Jain) (Manoj Kumar Jain)
Director Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE PROXY, 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 FRIDAY, THE 27TH DAY OF AUGUST, 2010 TO TUESDAY, THE 31ST DAY OF AUGUST, 2010 (BOTH DAYS INCLUSIVE).
4. THE EXPLANATORY STATEMENT, PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM No. 5, 6 & 7 AS SET OUT ABOVE, IS ANNEXED HERETO.

NORTH EASTERN CARRYING COPORATION LIMITED

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

ITEM No. 5

Mr. Mohak Jain was appointed Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 by the Board of Directors at its meeting held on 15.10.2009. The term of Mr. Mohak 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. Mohak Jain as director. The board recommends the resolution for shareholders approval.

Mr. Mohak Jain, Director is interested in the resolution.

ITEM No. 6

As, per the provisions of section 255 of the Companies Act 1956, 2/3rd of the total number of directors are liable to retire by rotation, that is 1/3rd of the total directors can be such directors who may not be liable to retire by rotation. Accordingly, therefore, keeping in view the efforts and the experience of our senior director Shri Jaswant Rai Jain, it is now proposed that Shri Jaswant Rai Jain shall not be liable to retire by rotation.

Shri Jaswant Rai Jain, Director is interested in the resolution.

ITEM NO. 7

As, per the provisions of section 255 of the Companies Act 1956, 2/3rd of the total no. of directors are liable to retire by rotation, that is 1/3rd of the total directors can be such directors who may not be liable to retire by rotation. Accordingly, therefore, keeping in view the efforts put-in and expertise and experience of Mr. Sunil Kumar Jain, it is now proposed that Mr. Sunil Kumar Jain shall not be liable to retire by rotation.

Mr. Sunil Kumar Jain, Director is interested in the resolution.

On behalf of the Board of Directors of
NORTH EASTERN CARRYING CORPORATION LIMITED

Place: Delhi
Date: 29.05.2010

(Sunil Kumar Jain) (Manoj Kumar Jain)
Director Director

NORTH EASTERN CARRYING COPORATION LIMITED

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NORTH EASTERN CARRYING CORPORATION LIMITED DIRECTORS' REPORT

TO THE SHAREHOLDERS,

The Directors have pleasure in presenting the Twenty Fifth Annual Report on the business and operations of the Company and the Audited statement of Accounts for the year ended March 31st, 2010.

1. FINANCIAL RESULTS:

The Financial results of the Company for the year under report are as under:

(Rupees In Lacs)

Particulars	For the		For the
	year ended		year ended
	31.03.2010		31.03.2009
Profit before Depreciation & I. Tax	76,062,064		55,997,432
Less: Depreciation	25,087,231		20,449,059
Profit after depreciation	50,974,833		35,548,373
Less: Provision for Income Tax	17,200,000		9,444,563
Less: Provision for Fringe Benefit Tax	Nil		1,296,751
Less: Provision for Wealth Tax	25,000		25,000
Less: Deferred Tax Liability	419		2,695,572
Add/(Less): Previous Year Adjustment	(13,10,318)		43,900
Profit After Taxation	32,439,096		22,139,449
Add: Profits Brought Forward	90,520,876		68,381,426
Balance Carried Over to Balance Sheet	122,959,972		90,520,875

2. DIVIDEND:

Due to inadequate profits, no dividend has been recommended for the year. No transfer to reserves is made.

3. DIRECTORS:

Shri Kamal Vishal Chand Jain and Shri Manoj Kumar Jain, Directors of the company, retire by rotation and being eligible offer themselves for reappointment. Their re-appointment is subject to the approval of members at the ensuing Annual General Meeting. Mr. Mohak Jain, who was appointed as Additional Director, offers himself for appointment as Director. It is proposed to appoint Mr. Jaswant Rai Jain and Mr. Sunil Kumar Jain as the permanent directors, who would not be liable to retire by rotation.

4. AUDITORS' REPORT:

Auditor's 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 office 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, Form 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 names and addresses of the Stock Exchanges where the Company' s shares are listed:-

The Delhi Stock Exchange Association Limited
3 & 4/4 B, Asaf Ali Road,
New Delhi – 110 002.

The listing fee for 2009-10 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.200000/- 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, 2010 and of the profit/loss of the company for the year ended March 31st, 2010.
- (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 attached.

13. ACCOUNTING STANDARDS:

As notified by the Central Government vide Companies (Accounting Standards) Rules 2006, as amended, the main accounting standards implemented by your company are AS 18 - Related Party Disclosure, AS 20 – Earning Per Share 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 or geographical segment, which is a reportable segment 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

Place: Delhi
Date: 29.05.2010

(Sunil Kumar Jain) (Manoj Kumar Jain)
Director Director

NORTH EASTERN CARRYING COPORATION 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 la 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, 2010

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, 2010

Name	Position	Category	Change		Attendance			No. of Directorship in other public company	No. of Committee position held in other public company	
					BM* during tenure		AGM		As Chairman	As Member
			Appt.	Resign	Held	Attend				
Sh. Sunil Kumar Jain	Chairman	Executive	10.10.1994	-	22	22	Yes	3	-	5
Sh. Jaswant Rai Jain	Director	Executive	30.09.1995	-	22	18	Yes	-	-	-
Sh. Praveen Jain	Director	Executive	03.01.1986	-	22	06	No	1	-	-
Sh. Sanjiv Jain	Director	Executive	10.10.1994	-	22	04	No	1	-	-
Sh. Roshan Dabriwal	Director	Non-Ex& I*	18.09.2004	-	22	17	Yes	-	-	-
Sh. Kamal Jain	Director	Non-Ex& I*	18.09.2004	-	22	02	No	-	-	-
Sh. Vinay Jain	Add. Director	Non-Ex& I*	10.11.2008	06-07-2009	04	04	No	1	-	-
Sh. Manoj Kr. Jain	Director	Non-Ex& I*	24.03.2009	-	22	18	No	-	-	-
Sh. Mohak Jain	Add. Director	Non-Ex& I*	15.10.2009	-	12	06	No	1	-	-

**Non-Ex & I - Non-Executive & 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.

Board Meeting Held

During the year the Board of Directors of North Eastern Carrying Corporation Limited met 22 times i.e. 07.04.2010, 04.05.2010, 30.06.2010, 06.07.2010, 31.07.2010, 11.08.2010, 18.08.2010, 04.09.2010, 30.09.2010, 09.10.2010, 15.10.2010, 21.10.2010, 31.10.2010, 23.11.2010, 21.12.2010, 24.12.2010, 07.01.2010, 18.01.2010, 29.01.2010, 24.02.2010, 12.03.2010 and 31.03.2010 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 changes in committee during the year under review and the composition of the committee as on 31st March 2010 is as under:

Members	Designation	Category (as Director)	Particulars of change		No. of meeting attended
			Appointment	Resignation	
Sh. Roshan Dabriwal	Chairman	Non –Executive & Independent	18.09.2004	-	5
Sh. Kamal Jain	Member	Non –Executive & Independent	18.09.2004	-	1
Sh. Vinay Jain	Member	Non –Executive & Independent	10.11.2008	06.07.2009	2
Sh. Manoj Kumar Jain	Member	Non –Executive & Independent	24.03.2009	-	4

During the year the committee has met 6 times on 07.04.2009, 30.06.2009, 31.07.2009, 31.10.2010, 29.01.2010 and 31.03.2010. 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 changes in committee during the year under review and the composition of the committee as on 31st March 2010 is as under:

Members	Designation	Category (as Director)	Particulars of change		No. of meeting attended
			Appointment	Resignation	
Sh. Vinay Jain	Chairman	Non –Executive & Independent	28.11.2008	06.07.2009	1
Sh. Roshan Dabriwal	Member	Non –Executive & Independent	18.09.2004	-	4
Sh. Kamal Jain	Member	Non –Executive & Independent	30.09.2008	-	1
Sh. Manoj Kumar Jain	Member	Non –Executive & Independent	24.03.2009	-	4

Remuneration Committee meetings were held on 06.05.2009, 30.07.2009, 28.10.2009 and 25.01.2010. All the members were present at the meeting. The committee has reviewed the remuneration paid to the director of the company and is satisfied with the same, not recommending any change thereof.

Remuneration of Directors

Details of remuneration to be paid to directors during 1st April 2009 to 31st March 2010 & part thereof:

Name	Designation	Salary	Commission	Sitting fees
Sh. Jaswant Rai Jain	Director	6,00,000/-	Nil	Nil
Sh. Kailash Chand Jain	Director	Nil/-	Nil	Nil
Sh. Sunil Kumar Jain	Director	6,00,000/-	Nil	Nil
Sh. Praveen Jain	Director	6,00,000/-	Nil	Nil
Sh. Sanjiv Jain	Director	Nil	Nil	Nil
Sh. Kamal Jain	Director	Nil	Nil	Nil
Sh. Roshan Dabriwal	Director	Nil	Nil	Nil
Sh. Vinay Jain	Director	Nil	Nil	Nil
Sh. Manoj Kumar Jain	Director	Nil	Nil	Nil
Sh. Mohak Jain	Add. Director	Nil	Nil	Nil

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 changes in committee during the year under review and the composition of the committee as on 31st March 2010 is as under:

Members	Designation	Category (as Director)	Particulars of change		No. of meeting attended
			Appointment	Resignation	
Sh. Vinay Jain	Chairman	Non –Executive & Independent	28.11.2008	06.07.2009	1
Sh. Roshan Dabriwal	Member	Non –Executive & Independent	18.09.2004	-	5
Sh. Kamal Jain	Member	Non –Executive & Independent	18.09.2004	-	1
Sh. Manoj Kumar Jain	Chairman	Non –Executive & Independent	24.03.2009	-	5

During the year the committee has met 5 times on 12.06.2009, 31.07.2009, 31.10.2009, 15.11.2009 and 11.01.2010. The minutes of the Committee were placed before the Board.

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

During the year, the company had received no investor complaints from shareholders, stock exchanges and SEBI.

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)
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
2006-07	9062/47, Ram Bagh Road, Azad Market, Delhi-06	29.09.07	10:30 AM	No Special Resolution

Extraordinary General Meeting:

Sr. No.	Date	Nature of Resolution	Provision under which business was transected
1	06.06.2009	Special Resolution Ordinary Resolution	1. Insertion of new definitions and clause "Clause 52A" in Articles of Association regarding DEMATERIALIZATION as per sec. 31 of the Companies Act, 1956 2. Appointment of M/s Sanghi & Coompany, Chartered Accountants as Statutory auditor of the company.

DISCLOSURES

- a) None of the transactions of material nature with any of the related parties was in conflict with the interest of the company at large.
- b) The company has communication with SEBI & DSE for non-compliance of some of regulations of 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. Company has not received any letters/notices for non-compliance of listing agreement from SEBI and DSE during year under review. 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 2010 .

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 25th Annual General meeting of the company will be held on 31st day of August 2010 at 10:30 am, at the registered office of the company at 9062/47, Ram Bagh Road, Azad Market, Delhi-06

2. Financial Year 1st April to 31st March

3. Financial Calendar:

(Tentative and subject to change)

Result for quarter ending 30th June 10	Second Week of August 2010
Result for quarter ending 30th September 10	Second week of November 2010
Result for quarter ending 31st December 10	Second week of February 2011
Result for quarter ending 31st March 11	Second week of May 2011

(In case company opt to file Audited Financial Account with in 60 days from end of financial year, then the audited results shall be filed by end of last week of May 2010 with Stock Exchange(s))

4. Book Closure Date:

The register of members and Share transfer register shall remain closed during 27th August 2010 to 31st August 2010 (Both days are inclusive) for the purpose of Annual General Meeting.

5. 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**

6. Stock Code: 16093

7. Stock Market Price Data:

During the financial year 2009-10, there was no trading of shares of the company on Delhi stock exchange. Therefore, high and low prices for the period cannot be given.

8. Registrar & Share Transfer Agents:

MAS Services Limited, having its office at AB-4, Safdarjung Enclave New Delhi – 110029 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.

9. 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.

10. 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.

11. Distribution & Categories of Shareholding

Distribution of shareholding as on 31st March, 2010:

No of Equity Shares held	No. of Shareholders	% of Shareholders	Total no. of Shares held	% of Shareholding
Upto 5000	952	98.25	490309	3.91
5001-10000	Nil	Nil	Nil	Nil
10001-50000	Nil	Nil	Nil	Nil
50001-100000	08	0.82	478000	3.81
100001-500000	Nil	Nil	Nil	Nil
500001-1000000	03	0.31	2116615	16.86
1000001 and above	06	0.62	9464410	75.42
Total	969	100.00	12549334	100.00

Categories of Shareholding as on 31st March, 2010:

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)	-----	-----
5.	Others	----	--
	Corporate Bodies	1120540	8.93
	Indian Public	2038519	16.24
	NRIs/OCBs/Foreign Company	----	--
	Any other	----	--
	Sub Total (C)	3159059	25.17
	GRAND TOTAL (A+B)	12549334	100.00

12. 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. However, some of shares are pending for listing with DSE; hence the dematerialization shall be commencing after listing of the entire share.

13. Outstanding GDR/ ADRs/Warrants/Options:

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

14. 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.

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

No amount was transferred to Investor Education and Protection Fund during the year 2009-10.

16. Address for Correspondence

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

On behalf of the Board of Directors of
NORTH EASTERN CARRYING CORPORATION LIMITED

Place: Delhi
Date: 29.05.2010

(Sunil Kumar Jain) (Manoj Kumar Jain)
Director Director

NORTH EASTERN CARRYING CORPORATION LIMITED

C.O.:"NECC House" 9062/47, Ram Bagh Road, Azad Market, Delhi-110006

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 or 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. 200 crore for the finance year 2008-09. 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. During the period the company had adopted & installed a new tracking technology "GPRS" for locating and tracking the fleets in operation.

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:

- 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.
- 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 2010.

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.

On behalf of the Board of Directors of
NORTH EASTERN CARRYING CORPORATION LIMITED

Place: Delhi
Date: 29.05.2010

(Sunil Kumar Jain) (Manoj Kumar Jain)
Director Director

Sanghi & Co.

Chartered Accountants

F-7, IInd Floor, Kalkaji, New Delhi-110019

“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 2010, 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, 2010, 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 & company
Chartered Accountants

Ram Kishan Sanghi
Proprietor
M. No. 091534

Place: New Delhi
Date: 29th May, 2010

NORTH EASTERN CARRYING COPORATION LIMITED

C.O.: "NECC House" 9062/47, Ram Bagh Road, Azad Market, Delhi-110006

CERTIFICATE BY EXECUTIVE DIRECTOR AND GENERAL MANAGER

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

We, Sunil Kumar Jain, Chairman & Executive Director and S.L. Yadav, General Manager 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
Executive Director

S.L. Yadav
General Manager

Place: Delhi

Date: 29th May 2010

NORTH EASTERN CARRYING COPORATION LIMITED

C.O.: "NECC House" 9062/47, Ram Bagh Road, Azad Market, Delhi-110006

CONFIRMATION OF COMPLIANCE OF CODE OF CONDUCT AND ETHICS

I, declare 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 2009-10. This code of conduct is available at the registered office of the company.

Sunil Kumar Jain
Executive Director

Place: Delhi
Date: 29th May 2010