



**ANNUAL REPORT  
FINANCIAL YEAR  
2008-09**

**NORTH EASTERN CARRYING CORPORATION LIMITED**

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

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*M O V I N G      Y O U      A H E A D*

## **NORTH EASTERN CARRYING CORPORATION LIMITED**

### **NOTICE**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Shareholders of NORTH EASTERN CARRYING CORPORATION LIMITED will be held on Wednesday, 30<sup>th</sup> day of September, 2009 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 31<sup>st</sup>, 2009 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 Sanjeev 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 Praveen Kumar Jain who retires by rotation and being eligible offers himself for reappointment on the existing terms & conditions.
4. To appoint a director in place of Shri Roshan Dabriwal who retires by rotation and being eligible offers himself for reappointment.
5. 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:**

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 provision of section 257 of the Companies Act, 1956 Mr. Vinay 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.
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 provision of section 257 of the Companies Act, 1956 Mr. Manoj 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.

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

Place: Delhi  
Date: 30.06.2009

(Jaswant Rai Jain) (Sunil 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 25<sup>TH</sup> DAY OF SEPTEMBER, 2009 TO WEDNESDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2009 (BOTH DAYS INCLUSIVE).
4. THE EXPLANATORY STATEMENT, PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM No. 6 & 7 AS SET OUT ABOVE, IS ANNEXED HERETO.

**NORTH EASTERN CARRYING CORPORATION LIMITED**

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

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ITEM No. 6  
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Mr. Vinay 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 10.11.2008. The term of Mr. Vinay 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. Vinay Jain as director. The board recommends the resolution for shareholders approval.

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

ITEM No. 7  
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Mr. Manoj Kumar 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 24.03.2009. The term of Mr. Manoj Kumar 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. Manoj Kumar Jain as director. The board recommends the resolution for shareholders approval.

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

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

Place: Delhi  
Date: 30.06.2009

(Jaswant Rai Jain)      (Sunil Kumar Jain)  
Director                      Director

## NORTH EASTERN CARRYING CORPORATION LIMITED

### DIRECTORS' REPORT

#### TO THE SHAREHOLDERS,

The Directors have pleasure in presenting the Twenty Fourth Annual Report on the business and operations of the Company and the Audited statement of Accounts for the year ended March 31<sup>st</sup>, 2009.

#### 1. FINANCIAL RESULTS:

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

(Rupees In Lacs)

Particulars	For the	
	year ended	year ended
	31.03.2009	31.03.2008
Profit before Depreciation & I. Tax	55,997,432	47,998,097
Less: Depreciation	20,449,059	18,011,485
Profit after depreciation	35,548,373	29,986,612
Less: Provision for Income Tax	9,444,563	10,057,345
Less: Provision for Fringe Benefit Tax	1,296,751	1,198,340
Less: Provision for Wealth Tax	25,000	25,000
Add/(Less): Deferred Tax Saving/(Liability)	2,695,572	(529,950)
Add/(Less): Previous Year Adjustment	43,900	-
Profit After Taxation	22,139,449	19,235,877
Add: Profits Brought Forward	68,381,426	49,145,549
Balance Carried Over to Balance Sheet	90,520,875	68,381,426

#### 2. DIVIDEND:

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

#### 3. DIRECTORS:

Shri Sanjeev Jain, Shri Praveen Kumar Jain and Shri Roshan Dabriwal, 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. Vinay Jain and Mr. Manoj Jain, who were appointed as Additional Directors, offer themselves for appointment as Directors.

#### 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 2008-09 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 31<sup>st</sup>, 2009 and of the profit/loss of the company for the year ended March 31<sup>st</sup>, 2009.
- (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:**

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 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: 30.06.2009

(Jaswant Rai Jain) (Sunil Kumar Jain)  
Director Director

**“ANNEXURE A” TO THE DIRECTORS REPORT**  
**REPORT ON CORPORATE GOVERNANCE**

**PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

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

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

**BOARD OF DIRECTORS**

**Composition & category as on march 31<sup>st</sup>, 2009**

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 31<sup>st</sup>, 2009

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	-	20	20	Yes	3	-	5
Sh. Jaswant Rai Jain	Director	Executive	30.09.1995	-	20	15	Yes	-	-	-
Sh. Kailash Chand Jain	Director	Executive	30.09.1995	25.11.2008	13	08	Yes	-	-	-
Sh. Praveen Jain	Director	Executive	03.01.1986	-	20	02	No	1	-	-
Sh. Sanjiv Jain	Director	Executive	10.10.1994	-	20	07	No	1	-	-
Sh. Roshan Dabriwal	Director	Non-Ex&I*	18.09.2004	-	20	11	Yes	-	-	-
Sh. Kamal Jain	Director	Non-Ex&I*	18.09.2004	-	20	02	No	-	-	-
Sh. Vinay Jain	Add. Director	Non-Ex&I*	10.11.2008	-	08	04	No	1	-	-
Sh. Manoj Kr. Jain	Add. Director	Non-Ex&I*	23.03.2009	-	01	01	No	-	-	-
Sh. Satish Chand Jain	Director	Non-Ex&I*	18.09.2004	30.09.2008	10	03	Yes	-	-	-
Sh. Sudhir Kumar Jain	Director	Non-Ex&I*	18.09.2004	30.09.2008	10	04	Yes	-	-	-
Sh. Rajeev Khemka	Director	Non-Ex&I*	18.09.2004	30.09.2008	10	05	Yes	-	-	-

**\*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 20 times i.e. 01.04.2008, 05.04.2008, 16.04.2008, 29.04.2008, 06.05.2008, 17.05.2008, 30.06.2008, 31.07.2008, 05.09.2008, 22.09.2008, 30.09.2008, 31.10.2008, 10.11.2008, 28.11.2008, 03.12.2008, 05.01.2009, 31.01.2009, 25.02.2009, 19.03.2009, 24.03.2009 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 31<sup>st</sup> March 2009 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	-	4
Sh. Kamal Jain	Member	Non –Executive & Independent	18.09.2004	-	1
Sh. Vinay Jain	Member	Non –Executive & Independent	28.11.2008	-	2
Sh. Kailash Chand Jain	Member	Executive	30.09.2008	25.11.2008	1
Sh. Rajeev Khemka	Member	Non –Executive & Independent	18.09.2004	30.09.2008	2
Sh. Sudhir Kumar Jain	Member	Non –Executive & Independent	18.09.2004	30.09.2008	1

During the year the committee has met 5 times on June 28<sup>th</sup> 2008, July 31<sup>st</sup>; 2008, October 31<sup>st</sup>; 2008 January 31<sup>st</sup>; 2009 and March 24<sup>th</sup>; 2009. The minutes of the Audit Committee were placed before the Board.

### REMUNERATION COMMITTEE

In compliance with Schedule XIII of the Companies Act, 1956, relating to appointment of Director, Remuneration Committee was constituted on September 18<sup>th</sup> 2004 by Board of Directors. The changes in committee during the year under review and the composition of the committee as on 31<sup>st</sup> March 2009 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	-	2
Sh. Roshan Dabriwal	Member	Non –Executive & Independent	18.09.2004	-	2
Sh. Kamal Jain	Member	Non –Executive & Independent	30.09.2008	-	1
Sh. Kailash Chand Jain	Member	Executive	30.09.2008	25.11.2008	0
Sh. Rajeev Khemka	Member	Non –Executive & Independent	18.09.2004	30.09.2008	1
Sh. Sudhir Kumar Jain	Chairman	Non –Executive & Independent	18.09.2004	30.09.2008	2

Remuneration Committee meeting was held on April 07<sup>th</sup> 2008, July 31<sup>st</sup>, 2008, November 28<sup>th</sup> 2008 and March 24<sup>th</sup> 2009. 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 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009 & part thereof:

Name	Designation	Salary	Commission	Sitting fees
Sh. Jaswant Rai Jain	Director	6,00,000/-	Nil	Nil
<b>Sh. Kailash Chand Jain</b>	<b>Director</b>	<b>Nil/-</b>	<b>Nil</b>	<b>Nil</b>
Sh. Sunil Kumar Jain	Director	6,00,000/-	Nil	Nil
Sh. Praveen Jain	Director	6,00,000/-	Nil	Nil
Sh. Sanjiv Jain	Director	3,50,000/-	Nil	Nil
Sh. Kamal Jain	Director	Nil	Nil	Nil
Sh. Roshan Dabriwal	Director	Nil	Nil	Nil
Sh. Vinay Jain	Add. Director	Nil	Nil	Nil
Sh. Manoj Kumar 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 31<sup>st</sup> March 2009 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	-	3
Sh. Roshan Dabriwal	Member	Non –Executive & Independent	18.09.2004	-	5
Sh. Kamal Jain	Member	Non –Executive & Independent	18.09.2004	-	1
Sh. Kailash Chand Jain	Member	Executive	30.09.2008	25.11.2008	1
Sh. Rajeev Khemka	Member	Non –Executive & Independent	18.09.2004	30.09.2008	1
Sh. Sudhir Kumar Jain	Member	Non –Executive & Independent	18.09.2004	30.09.2008	3

During the year the committee has met 7 times on June 28<sup>th</sup> 2008, July 31<sup>st</sup> 2008, September 18<sup>th</sup> 2008, October 31<sup>st</sup> 2008, December 29<sup>th</sup> 2008, January 31<sup>st</sup> 2009 and March 03<sup>rd</sup> 2009. 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)
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
2005-06	9062/47, Ram Bagh Road, Azad Market, Delhi-06	18.08.06	10:30 AM	No Special Resolution

**Extraordinary General Meeting:**

Sr. No.	Date	Nature of Resolution	Provision under which business was transected
1	18.03.2009	Special Resolution* Ordinary Resolution	1. Section 293(1)(a) of the Companies Act, 1956 read with Rule 4(f) read & 5 of Companies (Passing of the resolution by Postal Ballot) Rule 2001 2. Section 293(1)(d) of the Companies Act, 1956.
2	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.

**\*POSTAL BALLOT****Details of Postal Ballot**

The company has availed certain short term financial assistance from the financial Institution. The institution requires certain collateral in form of mortgage of immoveable assets and book debts to secure the proper repayment of facilities provided. In this regard an Extraordinary General Meeting of the members of the company was conducted in which a resolution regarding authorizing the board to borrow beyond the limits as prescribed u/s 239(1)(d) of the companies Act, 1956 has been passed. In the same EGM a special resolution passed by means of Postal Ballot and report of scrutinizer, thereon, was announced and adopted. The business transacted trough the Postal ballot was in accordance with the provision of section 192A, Companies (Passing of Resolution by Postal Ballot) Rule 2001 & under the provision of section 293(1)(a) of the Companies Act, 1956. The business transacted was as follows:

***"Pursuant to Section 293 (1) (a) of the Companies Act, 1956; "Authority to sell, lease or otherwise dispose off the whole or substantially the whole undertaking of the company in order to create charge against the financial facilities to be provided by the banks"***

**Voting Pattern & Result**

The Voting pattern & result of the postal ballot was as under:

**Voting Pattern**

Particulars	No. of Postal Ballot Forms	No. of shares represented there under	% age to the total paid up equity capital
Total Postal ballot forms received	09	79,07,039	63.01
Less: Invalid postal ballot forms/not noted for the resolution ballot forms	Nil	Nil	Nil
Net Valid postal ballots forms	09	79,07,039	63.01

**Result of Postal Ballot**

Particulars	No. of Postal Ballot Forms	No. of Shares	% age to the total no. of valid votes casted	% age to the total paid up equity capital
Postal Ballot forms with assent for the resolution	09	79,07,039	100.00	63.01%
Postal Ballot forms with dissent for the resolution	None of members of the company were dissented with the business transacted through Postal Ballot.			

**Person Conducted the Postal Ballot**

Mr. Ashish Kumar of A.K. Friends & Co., Practicing Company Secretary, has been appointed and authorized to do all such acts, deeds and things as may be necessary to conduct the process of postal Ballot in a fair and transparent manner and to submit their final report, ballot papers and other related papers and registers to the Board of Directors of the company within the specified time period.

**Process of Postal Ballot**

The company had duly adopted the Provisions of the Companies Act, 1956 and Companies (Passing of Resolution by Postal Ballot) Rule 2001. In brief, calendar of event is as follows:

Sr. no.	Particulars	Date
1	Date on which consent given by the scrutinizer	<b>Before 31.01.2009</b>
2	Date of Board Meeting to consider the matter business to be transacted.	<b>31.01.2009</b>
3	Date of appointment of Scrutinizer	<b>31.01.2009</b>
4	Date of board resolution authorizing one of the functional directors and the secretary to be responsible for the entire postal ballot process.	<b>31.01.2009</b>
5	Date of completion of dispatch of notice of meeting (30 days may be required for printing and dispatch of notices and postal ballot forms) and publication of notice in the News Paper.	<b>12.02.2009</b>
6	Last date for receiving postal ballot papers by scrutinizer.	<b>15.03.2009</b>
7	Last date for submission of report by scrutinizer.	<b>18.03.2009</b>
8	Last Date of signing of the Minutes book by the chairman in which the results of ballot is recorded.	<b>17.04.2009</b>
9	Date of returning the ballot papers, register and other related papers to the chairman by the scrutinizer.	<b>18.03.2009</b>
10	Date of handing over the ballot papers to the Designated Authority.	<b>18.03.2009</b>

**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. 31<sup>st</sup> March 2009 .

### **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 24<sup>th</sup> Annual General meeting of the company will be held on 30<sup>th</sup> day of September 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 <sup>st</sup> April to 31 <sup>st</sup> March
Financial Year (under review)	1 <sup>st</sup> April 2008 to 31 <sup>st</sup> March 2009
<b>Result for quarter ending 30<sup>th</sup> June 08</b>	Last week of July 2008
<b>Result for quarter ending 30<sup>th</sup> September 08</b>	Last week of October 2008
<b>Result for quarter ending 31<sup>st</sup> December 08</b>	Last week of January 2009
<b>Result for quarter ending 31<sup>st</sup> March 09</b>	Last week of April 2009

(In case company opted to file Audited Financial Account with in 3 months from end of financial year, then unaudited result for the last quarter shall be file by end of last week of June 2009 with Stock Exchange(s))

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

The register of members and Share transfer register shall remain closed during 25<sup>th</sup> Sep. 2009 to 30<sup>th</sup> Sep. 2009 (Both days are 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. Stock Market Price Data:**

During the financial year 2008-09, there was no trading of shares of the company on Delhi stock exchange. Therefore, high and low prices for the period cannot be given.



**7. 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.

**8. 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.

**9. 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.

**10. Distribution & Categories of Shareholding**

Distribution of shareholding as on 31<sup>st</sup> March, 2009:

No of Equity Shares held	No. of Shareholders	% of Shareholders	Total no. of Shares held	% of Shareholding
<b>Upto 5000</b>	<b>952</b>	<b>98.75</b>	<b>490309</b>	<b>3.91</b>
5001-10000	Nil	Nil	Nil	Nil
10001-50000	Nil	Nil	Nil	Nil
<b>50001-100000</b>	<b>02</b>	<b>0.21</b>	<b>157300</b>	<b>1.25</b>
<b>100001-500000</b>	<b>02</b>	<b>0.21</b>	<b>594359</b>	<b>4.74</b>
<b>500001-1000000</b>	<b>02</b>	<b>0.21</b>	<b>1603956</b>	<b>12.78</b>
<b>1000001 and above</b>	<b>06</b>	<b>0.62</b>	<b>9703410</b>	<b>77.32</b>
<b>Total</b>	<b>964</b>	<b>100.00</b>	<b>12549334</b>	<b>100.00</b>

Categories of Shareholding as on 31<sup>st</sup> March, 2009:

Sr. No.	Category of Holder	No. of Shares	% of Equity
1.	Promoters' Holdings	9575709	76.30
	<b>SUB TOTAL (A)</b>	<b>9575709</b>	<b>76.30</b>
2.	Mutual Funds / UTI	----	--
3.	Banks/Financial Institutions/Insurance Companies (Central/State Govt. Institutions) Non Govt. Institutions	----	--
4.	FII's/ GDR	----	--
	<b>SUB TOTAL (B)</b>	<b>9575709</b>	<b>76.30</b>
5.	Others	----	--
	Corporate Bodies	696106	5.55
	Indian Public	2277519	18.15
	NRIs/OCBs/Foreign Company	----	--
	Any other	----	--
	Sub Total	<b>2973625</b>	<b>23.70</b>
	<b>GRAND TOTAL (A+B)</b>	<b>12549334</b>	<b>100.00</b>

**11. 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.

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

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

**13. 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.

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

No amount was transferred to Investor Education and Protection Fund during the year 2008-09.

**15. Address for Correspondence**

9062/47, Ram Bagh Road  
Azad Market, Delhi – 110006  
Email: [co@neccgroup.com](mailto:co@neccgroup.com)

**For and on behalf of Board of Directors**

**Place: Delhi**  
**Date: 30<sup>th</sup> June 2009**

**Sd/-**  
**Sunil Kumar Jain**  
**Chairman**

## **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 31<sup>st</sup> March 2009.

**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.

**CERTIFICATE BY EXECUTIVE DIRECTOR AND GENERAL MANAGER**

*(Pursuant to clause 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.

**Manager**

**Sunil Kumar Jain**  
**Chairman**

**S.L. Yadav**  
**General**

**Place: Delhi**

**Date: 30<sup>th</sup> June 2009**

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

To  
The Members  
North Eastern Carrying Corporation Limited

We have examined the compliance of conditions of Corporate Governance by North Eastern Carrying Corporation Limited (the company) for the year ended on 31<sup>st</sup> March 2009, as stipulated in Clause 49(VII) of the Listing Agreement of the company with the Stock Exchange.

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

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

We state that as per the report given by the Registrars of the Company to the Shareholder/investors Grievances Committee, as on 31<sup>st</sup> March, 2009, 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

Sd/-  
Ram Kishan Sanghi  
Proprietor  
M. No. 091534

Place: New Delhi  
Date: 30<sup>th</sup> June, 2009

**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 2008-09. This code of conduct is available at the registered office of the company.

**Sunil Kumar Jain**  
**Chairman**

**Place: Delhi**  
**Date: 30<sup>th</sup> June 2009**



## AUDITOR'S REPORT

We have audited the attached Balance Sheet of NORTH EASTERN CARRYING CORPORATION LIMITED as at March 31<sup>st</sup>, 2009, 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 accounts 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 31<sup>st</sup>, 2009 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to explanations given to us, the said account read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In the case of the Balance Sheet of the state of affairs of the Company as at March 31<sup>st</sup>, 2009 and
  - (ii) In the case of the Profit and Loss Account of the profit of the company for the year ended 31<sup>st</sup> March, 2009
  - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on March 31, 2009

**For M/s Sanghi & Company**  
Chartered Accountants

(Ram Kishan Sanghi)  
Proprietor  
M. No. 091534

Date: 30.06.2009  
Place: Delhi

## **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 interest free 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.161.57 Lacs and the year-end balance of loans taken from such parties was Rs.92.50 Lacs. The number of Parties involved were nine.  
  
(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.

- (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 31.03.2009 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.
  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 terms 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.

**For M/s Sanghi & Company**  
Chartered Accountants

Date: 30.06.2009  
Place: Delhi

(Ram Kishan Sanghi)  
Proprietor  
M. No. 091534

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**BALANCE SHEET AS ON 31.03.2009**

<u>PARTICULARS</u>	<u>Sch.</u> <u>No.</u>	<u>As At</u> <u>31.03.2009</u> <u>Amt.(in Rs.)</u>	<u>As At</u> <u>31.03.2008</u> <u>Amt.(in Rs.)</u>
<b>(I) SOURCES OF FUNDS:</b>			
Shree Ganesh Jee Maharaj		1,101	1,101
Share Capital	1	125,493,340	125,493,340
Reserves & Surplus	2	242,469,746	220,330,297
 <u>Loan Fund</u>			
Secured Loans	3	311,982,972	193,327,170
Unsecured Loans	4	9,250,146	11,365,002
Deferred Tax Liability (Net)		5,575,319	2,879,747
Total		694,772,624	553,396,657
 <b>(II) APPLICATIONS OF FUNDS:</b>			
<u>FIXED ASSETS</u>	5		
Gross Block		248,517,753	192,656,353
Less: Depreciation		76,040,672	56,568,686
Net Block		172,477,080	136,087,667
 <u>INVESTMENTS</u>		-	-
 <u>CURRENT ASSETS, LOANS &amp; ADVANCES</u>			
Inventories		-	-
Sundry Debtors	6	452,077,110	345,984,494
Cash & Bank Balances	7	24,881,139	45,458,827
Loans & Advances	8	112,391,528	76,527,528
		589,349,777	467,970,849
<u>LESS : CURRENT LIABILITES &amp; PROVISIONS</u>	9	67,054,234	50,661,859
Net Current Assets		522,295,544	417,308,990
 MISCELLANEOUS EXPENDITURE		-	-
(To the extent not written off or adjusted)			
Total		694,772,624	553,396,657

Notes to the account and significant accounting policies

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Auditor's Report

As per our seprate report of even date attached

**For M/s Sanghi & Company**

Chartered Accountants

**(Ram Kishan Sanghi)**

**Proprietor**

Place: Delhi

Date: 30.06.2009

(Jaswant Rai Jain)  
Director

(Sunil Kumar Jain)  
Director

(S. L. Yadav)  
(General Manager)

(Ajay Singh)  
(Company Secretary)

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2009**

<u>PARTICULARS</u>	<u>Sch.</u> <u>No.</u>	<u>As At</u> <u>31.03.2009</u> <u>Amt. In Rs.</u>	<u>As At</u> <u>31.03.2008</u> <u>Amt. In Rs.</u>
<b>(I) INCOME</b>			
Freight		2,403,204,917	1,900,189,315
Demurages		159,620	208,946
Profit on Sale of Fixed Assets		295,275	1,095,494
Other Income	10	17,314,462	4,297,716
Total A		2,420,974,274	1,905,791,471
<b>(II) EXPENDITURE</b>			
Operating/Direct Cost	11	2,194,308,193	1,719,611,318
Employees Remuneration & Benefits	12	57,269,543	47,964,229
Administrative & Other Expenses	13	113,399,107	90,217,827
Depreciation	5	20,449,059	18,011,485
Total B		2,385,425,901	1,875,804,859
Profit for the Year		35,548,373	29,986,612
(Less): Provision for Income Tax		(9,435,501)	(10,057,345)
(Less): Provision for Fringe Benefit Tax		(1,296,751)	(1,198,340)
(Less): Provision for Wealth Tax		(25,000)	(25,000)
Add/(Less): Provision for Deferred Tax		(2,695,572)	529,950
Add/(Less): I. Tax/W. Tax/FBT Adjustments earlier years		43,900	-
Profit after tax		22,139,449	19,235,877
Profit Brought Forward		68,381,426	49,145,549
Balance of Profit C/F to the Balance Sheet		90,520,875	68,381,426
Notes to the account and significant accounting policies	14		
Auditor's Report			
As per our separate report of even date attached			
<b>For M/s Sanghi &amp; Company</b>			
Chartered Accountants			
<b>(Ram Kishan Sanghi)</b>		(Jaswant Rai Jain)	(Sunil Kumar Jain)
<b>Proprietor</b>		Director	Director
Place: Delhi			
Date: 30.06.2009		(S. L. Yadav)	(Ajay Singh)
		(General Manager)	(Company Secretary)

**NORTH EASTERN CARRYING CORPORATION LIMITED**

SCHEDULE -- 5 : FIXED ASSETS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS ON MARCH 31ST, 2009

Amount In Rupees

Particulars	RATE (W.D.V) (%)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.08	Addition during theYr.	Sale/Adjust. during the Yr.	As At 31.03.09	As At 01.04.08	Sale Adjustment	For the Year	As At 31.03.09	As At 31.03.09	As At 31.03.08
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	24,663,762	-	-	24,663,762	3,496,810	-	1,058,348	4,555,158	20,108,604	21,166,952
Car & Scooter	25.89	18,494,333	3,472,952	1,324,798	20,642,487	7,763,092	962,343	3,298,090	10,098,839	10,543,648	10,731,241
Air Conditioner & Cooler	13.91	2,144,448	71,950	-	2,216,398	734,796	-	204,818	939,614	1,276,784	1,409,652
Electrical Fittings & Inst.	13.91	523,482	108,794	-	632,276	219,322	-	53,975	273,297	358,979	304,160
Generators	13.91	816,676	258,750	11,000	1,064,426	425,969	11,000	88,170	503,139	561,287	390,707
Weighing Scale	13.91	265,302	2,400	-	267,702	171,884	-	13,117	185,001	82,701	93,418
Cycles	20.00	101,257	23,130	-	124,387	67,362	-	9,183	76,545	47,842	33,895
Office Equipments	13.91	3,664,305	233,001	-	3,897,306	1,679,420	-	296,588	1,976,008	1,921,298	1,984,885
Computer H/W & S/W	40.00	21,757,826	2,046,551	-	23,804,377	15,940,211	-	2,823,577	18,763,788	5,040,589	5,817,615
Furniture & Fixture	18.10	10,039,800	179,612	3,730	10,215,682	5,466,061	3,730	837,369	6,299,700	3,915,982	4,573,739
Typewriter	13.91	1,797	-	-	1,797	1,373	-	59	1,432	365	424
Lorries & Trucks	16.21 (SLM)	55,400,701	50,803,788	-	106,204,489	20,602,386	-	11,765,765	32,368,151	73,836,337	34,798,315
<b>Total</b>		<b>192,656,353</b>	<b>57,200,928</b>	<b>1,339,528</b>	<b>248,517,753</b>	<b>56,568,686</b>	<b>977,073</b>	<b>20,449,059</b>	<b>76,040,672</b>	<b>172,477,080</b>	<b>136,087,667</b>
Previous Year		170,157,576	33,599,990	11,101,213	192,656,353	43,656,286	5,099,085	18,011,485	56,568,686	136,087,668	126,501,291

For North Eastern Carrying Corporation Limited

(Jaswant Rai Jain)  
Director

(Sunil Kumar Jain)  
Director

(S.L. Yadav)  
(General Manager)

(Ajay Singh)  
(Company Secretary)

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Schedules forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2009

	<u>As At</u> <u>31.03.2009</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2008</u> <u>Amt.(In Rs.)</u>
<b><u>Schedule -1: Share Capital</u></b>		
<u>Aurhorised Capital</u>		
13500000 (13500000) Equity Shares of Rs. 10/- Each	135,000,000	135,000,000
<u>Issued, Subscribed &amp; Paid Up Capital</u>		
12549334 (12549334) Equity Shares of Rs. 10/- Each	125,493,340	125,493,340
	125,493,340	125,493,340
 <b><u>Schedule -2: Reserves &amp; Surplus</u></b>		
<u>1) General Reserve</u>		
Opening Balance	61,948,871	61,948,871
Add: Addition during the year	-	-
Closing Balance	61,948,871	61,948,871
<u>2) Security Premium Account</u>		
Opening Balance	90,000,000	90,000,000
Add: Addition during the year	-	-
Closing Balance	90,000,000	90,000,000
3) Profit & Loss A/c.	90,520,875	68,381,426
	242,469,746	220,330,297
 <b><u>Schedule -3: Secured Loans</u></b>		
Axis Bank	225,425	-
Citi Corp Finance (India) Limited	341,236	509,046
HDFC Bank Limited	23,490,480	3,668,970
ICICI Bank Limited	648,491	1,160,498
Kotak Mahindra Bank Limited	6,446,774	14,303,766
Reliance Capital Limited	8,787,468	13,030,490
Tata Motors Finance Limited	14,382,759	5,770,689
Tata Finance Limited	5,950,964	-
(Secured against hypothecation of Vehicle Financed)		
Citi Bank (OD A/c.)	130,418,005	44,000,000
Vijaya Bank (OD A/c.)	121,291,368	110,883,711
(Secured against hypothecation of Vehivles, Equipments, Book Debts and Collaterally secured against charge against properties of Directors of the Company and Other Associated Concerns)		
	311,982,972	193,327,170
 <b><u>Schedule -4: Unsecured Loans</u></b>		
Indika Agro Products Private Limited	450,000	-
N. E. C. C. Automobiles Private Limited	8,715,000	9,000,000
N. E. C. C. Financial Services Private Limited	-	-
N. E. C. C. Securities Private Limited	-	-
N. E. C. C. Logistics Limited	-	2,250,302
Mr. Jaswant Rai Jain (Director)	-	31,711
Mr. Sunil Kumar Jain (Director)	-	31,793
Mr. Praveen Kumar Jain (Director)	85,146	20,088
Mr. Sanjeev Jain (Director)	-	31,108
	9,250,146	11,365,002
	(Jaswant Rai Jain) Director	(Sunil Kumar Jain) Director



(S.L. Yadav)  
(General Manager)

(Ajay Singh)  
(Company Secretary)

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Schedules forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2009

	<u>As At</u> <u>31.03.2009</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2008</u> <u>Amt.(In Rs.)</u>
<b><u>Schedule -6: Sundry Debtors</u></b>		
(Unconfirmed, Unsecured and Considered Good)		
Debts outstanding for more than six months	37,460,282	26,345,334
Others Debts	414,616,829	319,639,160
	<u>452,077,110</u>	<u>345,984,494</u>
<b><u>Schedule -7: Cash &amp; Bank Balances</u></b>		
Cash in Hand	3,416,467	4,228,942
Fund In Transit	9,655,283	9,669,387
Balance - In Current A/c.	9,004,998	28,870,104
Balance - In Fixed Deposits	2,804,392	2,690,394
	<u>24,881,139</u>	<u>45,458,827</u>
<b><u>Schedule -8: Loans &amp; Advances</u></b>		
(Unconfirmed, Unsecured & Considered Good)		
(Advance recoverable in cash or in kind or for value to be recd.)		
Security Deposits	30,100	30,100
Earnest Money Deposits	5,531,706	2,878,829
Land Lord Security Deposits	17,905,160	8,773,113
Other Advances	27,884,712	10,384,872
Staff Advances	8,409,677	8,024,913
Rates & Taxes Receivable	3,534,207	-
Prepaid Expenses & Recoverables	2,137,454	3,655,091
Advance Income Tax/TDS (AY 06-07)	-	12,734,517
Advance Income Tax/TDS (AY 07-08)	13,483,209	13,483,209
Advance Income Tax/TDS (AY 08-09)	10,562,260	10,564,364
Advance Income Tax/TDS (AY 09-10)	20,494,919	-
Advance Fringe Benefit Tax (AY 06-07)	-	1,468,442
Advance Fringe Benefit Tax (AY 07-08)	-	1,390,521
Advance Fringe Benefit Tax (AY 08-09)	-	1,135,000
Advance Fringe Benefit Tax (AY 09-10)	1,325,000	-
Hire Charges Not Accrued Not Due	1,093,125	2,004,557
	<u>112,391,528</u>	<u>76,527,528</u>

(Jaswant Rai Jain)  
Director

(Sunil Kumar Jain)  
Director

(S.L. Yadav)  
(General Manager)

(Ajay Singh)  
(Company Secretary)

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Schedules forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2009

	<u>As At</u> <u>31.03.2009</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2008</u> <u>Amt.(In Rs.)</u>
<b><u>Schedule -9: Current Liabilities &amp; Provisions</u></b>		
<b><u>Current Liabilities</u></b>		
Sundry Creditors	6,312,628	5,060,430
Security Deposits	268,000	170,580
E. S. I. Payable	96,734	73,666
Provident Fund Payable	494,077	408,762
Professional Tax Payable	10,974	5,305
T. D. S. Payable	2,135,766	1,101,519
Service Tax Payable	6,960,343	293,239
Bonus/ Ex-Gratia Payable	3,815,230	3,514,285
Leave Encashment Payable	1,640,213	859,607
Lorry Freight Payable	7,666,476	4,445,054
Claim Payable	126,716	271,200
Other Expenses & Liabilities Payable	5,068,456	3,288,538
Service Tax Not Received Not Due	98,518	178,804
<b><u>Provisions</u></b>		
Provision for I. Tax (AY 2009-2010)	9,435,501	-
Provision for I. Tax (AY 2008-2009)	10,057,345	10,057,345
Provision for I. Tax (AY 2007-2008)	7,312,224	7,312,224
Provision for I. Tax (AY 2006-2007)	-	6,002,443
Provision for Fringe Benefit Tax (AY 2009-10)	1,296,751	-
Provision for Fringe Benefit Tax (AY 2008-09)	-	1,198,340
Provision for Fringe Benefit Tax (AY 2007-08)	-	1,296,909
Provision for Fringe Benefit Tax (AY 2006-07)	-	1,468,442
Provision for Wealth Tax	50,000	50,000
Provision for Gratuity	4,208,281	3,605,167
	<u>67,054,234</u>	<u>50,661,859</u>
		49,936,439
<b><u>Schedule -10: Other Income</u></b>		
LPO	-	4,285,350
Lorry Running & Maint. Income	14,694,815	-
Profit on Sale of Shares	199,021	-
Discount on Finance	1,461,333	-
Interest Received	959,293	12,366
	<u>17,314,462</u>	<u>4,297,716</u>
<b><u>Schedule -11: Operating/Direct Cost</u></b>		
Lorry Freight	2,181,532,273	1,713,145,194
Commission	10,223,302	3,848,758
Claims	2,552,618	2,617,366
	<u>2,194,308,193</u>	<u>1,719,611,318</u>
	(Jaswant Rai Jain) Director	(Sunil Kumar Jain) Director
	(S.L. Yadav) (General Manager)	(Ajay Singh) (Company Secretary)

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Schedules forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2009

	<u>As At</u> <u>31.03.2009</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2008</u> <u>Amt.(In Rs.)</u>
<b><u>Schedule -12: Employees Remuneration &amp; Benefits</u></b>		
Establishment Expenses	49,618,324	41,264,197
PF/ESI	4,190,521	3,692,656
Food & Beverages at Work Place	2,012,494	1,894,578
Gratuity	1,388,215	1,088,658
Recruitment & Training Expenses	59,989	24,140
	57,269,543	47,964,229
<b><u>Schedule -13: Administrative &amp; Other Expenses</u></b>		
Advertisement & Publicity	692,562	840,413
Bad Debts	100,000	-
Bank Charges & Comm.	4,840,826	3,122,053
Bank Interest	27,798,183	11,851,504
Books & Periodicals	8,205	7,507
Business Promotion	114,499	50,293
Car Expenses	1,954,067	1,507,638
Conveyance & Scooter Petrol	3,073,492	2,595,527
Director's Remuneration	2,150,000	3,000,000
Diwali Expenses	761,407	759,117
Donation (80-G)	21,000	21,000
Electricity & Water Charges	3,614,434	3,379,784
Fees, Rates & Taxes	488,690	381,984
General Expenses	1,011,915	1,233,820
Generator Hire & Maintenance Charges	747,955	716,004
Insurance (Car)	119,891	179,288
Insurance (Others)	943,921	1,386,992
Interest on Late Deposit of Govt. Dues	226,601	210,535
Interest on Loan	-	1,837,622
Interest on Vehicle Loans	5,113,044	1,865,575
Interest on Car Loan	750,209	393,123
Internet Charges	326,675	173,526
Legal & Professional Expenses	1,848,189	2,969,001
Office Expenses	741,692	704,536
Packing & Forwarding Expenses	738,304	323,026
Payment to Auditors	101,124	224,720
Penalties Paid	2,000	-
Postage & Courier	1,536,531	1,185,806
Printing & Stationery	3,757,318	3,336,893
Rent	32,122,107	29,273,010
Repair & Maintenance	3,301,434	3,561,354
Balance c/f	99,006,274	77,091,651

(Jaswant Rai Jain)

(Sunil Kumar Jain)

Director

Director

(S.L. Yadav)  
(General Manager)(Ajay Singh)  
(Company Secretary)

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Schedules forming part of Balance Sheet and Profit & Loss A/c.  
for the year ended 31st March, 2009

	<u>As At</u> <u>31.03.2009</u> <u>Amt.(In Rs.)</u>	<u>As At</u> <u>31.03.2008</u> <u>Amt.(In Rs.)</u>
<b><u>Schedule -13: Administrative &amp; Other Expenses</u></b>		
Balance b/f	99,006,274	77,091,651
Scholarship	110,000	105,000
Scooter Expenses	361,634	282,722
Security Charges	762,643	840,226
Subscriptions	183,504	179,528
Telephone Expenses	5,940,718	5,901,993
Travelling Expenses (Hotel, Boarding & Lodging)	2,562,369	1,522,112
Travelling Expenses (Ticket & Fare)	4,471,965	4,294,595
	<u>113,399,107</u>	<u>90,217,827</u>

(Jaswant Rai Jain)  
Director(Sunil Kumar Jain)  
Director(S.L. Yadav)  
(General Manager)(Ajay Singh)  
(Company Secretary)

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
Schedule –14: Notes to Accounts & Significant Accounting Policies  
for the year ending 31.03.2009

**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

- 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) 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.

(h) 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	NIL	Rs.448100/-
(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.

6. Remuneration to Directors Rs.21,50,000/- (Previous Year Rs.30,00,000/-)

7. Payment to Auditors Amt. In Rs.  
Audit Fee & Corporate Matters Rs.1,01,124/- (Previous Year Rs.2,24,720/-)

8. Contingent Liability not provided for:
- In Respect of Bank Guarantees issued by the bank on behalf of the company Rs.4,07,08,200/-.
  - For claims/shortage not ascertained or settled during the year. Claims lodged by customers but not settled by the company Rs.15,62,477.00.
  - Approximate Liability on account of major cases filed against the company in various courts aggregating to Rs.1,08,51,153/-
9. Sundry Debtors include freight receivable against GRs issued during the year.
10. Tax Deducted at Source (A. Y. 2009-10) 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 19.03.2003 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 01.04.2008	Deferred Tax Credit/(Charge) for the year	Deferred Tax Asset/(Liability) as at 31.03.09
On account of difference between book & tax Dep.	(40,93,245)	(2912468)	(7005713)
Gratuity	12,13,499	216896	1430395
Total	(28,79,747)	(2695572)	(5575318)

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.
  - N. E. C. C. Logistics
  - N. E. C. C. Securities Private Limited
  - N. E. C. C. Financial Services Pvt. Ltd.
  - N. E. C. C. Automobiles Pvt. Ltd.
  - Shreyans Buildwell Private Limited
  - Bhikshu Enterprises Private Limited
  - Kailash Chand Jain (HUF)
  - Praveen Kumar Jain (HUF)
  - Jaswant Rai Jain & Sons (HUF)

Nature of Transactions	Amount (Rs.)
Loans Received including Opening Balance	1,18,97,302/-
Total Loan Repaid	5,25,000/-
Rent Paid	7,69,324/-

- Key Management Personnel and their relatives
- Shri Jaswant Rai Jain
  - Smt. Darshan Mala Jain
  - Shri Kailash Chand Jain
  - Smt. Manju Jain
  - Shri Sunil Kumar Jain
  - Smt. Vanya Jain
  - Shri Praveen Kumar Jain
  - Smt. Kalpana Jain
  - Shri Sanjeev Jain
  - Smt. Sangeeta Jain

Nature of Transactions	Amount (Rs.)
Loans Received including Opening Balance	42,84,534/-
Total Loan Repaid	41,99,388/-
Payment of Rent	17,94,000/-
Directors Remuneration (excluding perquisite)	21,50,000/-

#### 14. Earning Per Share (EPS):

	F. Y. 2008-09	F. Y. 2007-08
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)	2,21,39,449/-	1,92,35,877/-
c) Basic Earning Per Share	Rs.1.76	Rs.1.53

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 31.03.2009.
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

(Ram Kishan Sanghi)  
Proprietor  
Place Delhi  
Date: 30.06.2009

(Jaswant Rai Jain)  
Director

(Sunil Kumar Jain)  
Director

(S.L. Yadav)  
(General Manager)

(Ajay Singh)  
(Company Secretary)

**NORTH EASTERN CARRYING CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009**

	<u>Amt. In Rs.</u>	<u>As At</u> <u>31.03.2009</u> <u>Amt. In Rs.</u>	<u>As At</u> <u>31.03.2008</u> <u>Amt. In Rs.</u>
<b>A. Cash Flow From Operating Activities:</b>			
Net Profit before taxation	35,548,373		
Add: Depreciation	20,449,059		
Sub-Total	<u>55,997,432</u>		
Less: Profit on Sale of Fixed Assets	295,275		
Less: Interest on Income Tax Refund/Other Interest	959,293		
Less: Profit on Sale of Shares	<u>199,021</u>		
Operating Profit before working capital changes	54,543,843		
Less: Increase in Sundry Debtors	106,092,616		
Less: Increase in Loans & Advances	35,864,000		
Add: Increase in Current Liabilities	<u>19,087,947</u>		
Cash generated from operations	(68,324,827)		
Less: Income Tax Paid/ Provided	<u>13,408,924</u>		
Net Cash From Operating Activities	<u>(81,733,751)</u>	(81,733,751)	(65,773,200)
<b>B. Cash Flow From Investing Activities:</b>			
Add: Sale Proceeds of Fixed Assets	657,730		
Add: Profit on Sale of Shares	199,021		
Add: Interest on Income Tax Refund/Other Interest	959,293		
Less: Purchase of Fixed Assets	<u>57,200,928</u>		
Net Cash Outflow from Investing Activities	<u>(55,384,884)</u>	(55,384,884)	(26,490,003)
<b>C. Cash Flow From Financing Activities:</b>			
Add: Increase in Secured Loans	118,655,802		
Less: Decrease in Unsecured Loans	<u>2,114,856</u>		
Net Cash Inflow from Financing Activities	<u>116,540,945</u>	116,540,945	89,711,145
Net Increase in Cash & Cash Equivalents (A+B+C)		<u>(20,577,690)</u>	<u>(2,552,057)</u>
Add: Cash & Cash Equivalents at beginning of Year		45,458,827	48,010,884
Cash & Cash Equivalents at end of Year		<u>24,881,137</u>	<u>45,458,827</u>

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

Place: Delhi  
Date: 30.06.2009

(Jaswant Rai Jain)  
Director

(Sunil Kumar Jain)  
Director

(S.L. Yadav)  
(General Manager)

(Ajay Singh)  
(Company Secretary)

**Auditor's Certificate:**

We have examined the above Cash Flow Statement of North Eastern Carrying Corporation Ltd. for the year ended 31.03.09. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Stock Exchange and is based on and in agreement with the books and records of the company and also the Profit & Loss and Balance Sheet of the company covered by our report of even date to the members of the Company.

**For M/s. Sanghi & Company**  
Chartered Accountants

Place: Delhi  
Date: 30.06.2009

(Ram Kishan Sanghi)  
Proprietor

## NORTH EASTERN CARRYING CORPORATION LIMITED

### Balance Sheet Abstract and A Company's General Business Profile

<b>1 <u>Registration Details</u></b>			
Registration No.	19485		
Balance Sheet Date	31.03.2009		
State Code	55		
<b>2 <u>Capital Raised During the Year (Amount In Rs. Lacs)</u></b>			
Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
<b>3 <u>Position of Mobilisation and Deployment of Funds (Amount In Rs. Lacs.)</u></b>			
Total Liabilities	6947.73	Total Assets	6947.73
<b><u>Source of Fund</u></b>		<b><u>Application of Funds</u></b>	
Paid Up Capital	1254.93	Net Fixed Assets	1724.77
Reserve & Surplus	2424.71	Net Current Assets	5222.96
Secured Loan	3119.83	Investment	0.00
Unsecured Loan	92.50	Misc. Expenditure	0.00
Deferred Tax Liability	55.75		
<b>4 <u>Performance of the Company (Amount In Rs. Lacs)</u></b>			
Turnover	24209.74	Total Expenditure	23854.26
Profit/Loss before Tax	355.48	Profit/Loss after Tax	221.39
Earning Per Share (Rs.)	1.76	Dividend	0.00
<b>5 <u>Generic names of three principal product/service of the company (as per monetary terms)</u></b>			
Item Code No. (ITC code)	NIL	Item Code No. (ITC code)	NIL
Product Description	Transportation		

North Eastern Carrying Corporation Limited

Place: Delhi  
Date: 30.06.2009

(Jaswant Rai Jain)  
Director

(Sunil Kumar Jain)  
Director

(S.L. Yadav)  
(General Manager)

(Ajay Singh)  
(Company Secretary)