

*Inter State Oil Carrier Limited*

*Annual Report  
2004-2005*



*The Perfect Blend - of Vision and Growth*

**INTER STATE OIL CARRIER LIMITED**

**BOARD OF DIRECTORS** : SHRI SHANTI LAL JAIN  
 SHRI SANJAY JAIN  
 SHRI RIKHAB CHAND JAIN  
 SHRI BHAG CHAND JAIN  
 SHRI SHANKAR LAL KHANDELWAL  
 SHRI NEERAJ JAIN

*CHAIRMAN*  
*MANAGING DIRECTOR*  
*WHOLE TIME DIRECTOR*

**COMPANY SECRETARY** : SHRI DILIP KUMAR SINGH

**REGISTERED OFFICE** : PODDAR POINT, SOUTH WING  
 5TH FLOOR, 113, PARK STREET  
 KOLKATA - 700 016  
 PH NO. : 2229 0588

**AUDITOR** : M/S PATNI & CO.,  
 9, INDIA EXCHANGE PLACE,  
 4TH FLOOR, ROOM NO. 7,  
 KOLKATA - 700 001

**BANKERS** : THE SOUTH INDIAN BANK LIMITED  
 STATE BANK OF HYDERABAD  
 ICICI BANK LIMITED

**SHARE TRANSFER AGENT** : MAHESHWARI DATAMATICS PVT. LTD  
 6, MANGO LANE  
 KOLKATA - 700 001  
 PH NO. : 2243 5029

**INTER STATE OIL CARRIER LIMITED****NOTICE**

Notice is hereby given that the 21st Annual General Meeting of the Members of INTER STATE OIL CARRIER LIMITED will be held at Somany Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata - 700 001, on Saturday, the 24th September, 2005 at 3.30 P.M. to transact the following business: -

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit & Loss Account for the Year ended on that date and Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Bhag Chand Jain who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Rikhab Chand Jain who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office :  
Poddar Point, South Wing  
5th Floor, 113, Park Street  
Kolkata - 700 016  
Dated 16th August, 2005

By Order of the Board  
For Inter State Oil Carrier Limited

Dilip Kumar Singh  
(Company Secretary)

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at least 48 hours before the Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 19th day of September, 2005 to Saturday, 24th day of September, 2005 (both days inclusive).
3. Members are requested to inform of any change in their address to the Share Transfer Agent of the Company immediately.
4. Members, who are holding shares in identical order of names in more than one account, are requested to intimate to the Company, the ledger folio of such accounts together with the Share Certificate(s) to enable the Company to consolidate all holdings into one account. The Share Certificates will be returned to the members after making the necessary endorsements in due course.
5. Members desiring for any information on the accounts at the Annual General Meeting are requested to write to the company at least ten days in advance, so as to enable the company to keep the information ready.
6. Members /Proxies should bring the attendance slip sent herewith, duly filled in, for attending the meeting and also their copies of the Annual Report.
7. Shareholders who have not encashed the dividend warrants for the financial years 1997-98 are requested to write to the Company/Registrar for revalidation of the dividend warrants or for obtaining duplicate warrants mentioning the relevant Folio No(s).
8. Particulars regarding Directors seeking re-appointment to be given as per the Listing Agreement are as under:-

Name of Directors	Age	Qualification	Experience	Other Directorship
Bhag Chand Jain	59	F.C.A	More than 17 year in Finance & Taxation	Quality Leasing Pv Lt Howrah Mills Co Ltd Gopalpur Tea Co Ltd
Rikhab Chand Jain	58	B.Com	More than 17 year in Transport Industry	Nil

**INTER STATE OIL CARRIER LIMITED****DIRECTORS' REPORT**

Your Directors have pleasure in presenting their 21st Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2005.

**FINANCIAL HIGHLIGHTS**

Particulars	(Rs in Lacs) For the year ended 31.03.2005	(Rs in Lacs) For the year ended 31.03.2004
Turnover	902.97	834.70
Profit on Sale of Investment & Fixed Asset	53.71	0.37
Other Income	12.18	8.64
Profit before Tax	92.45	35.55
Less: Provision for Taxation :		
Current Year Tax Provision	5.00	7.10
Deferred Tax Provision	8.24	1.93
Provision for N.P.A & Adj. of STT	1.21	—
Profit after Tax & Provisions	78.00	26.52
Less: Transfer to Statutory Reserve Fund	17.50	5.70
Less: Income Tax Adjusted of earlier year	3.95	0.15
Amount available for Appropriation	56.55	20.67
Surplus B/f from the Previous year	120.85	100.18
Balance Carried Forward	177.40	120.85

**DIVIDEND**

In order to augment the working capital requirement of the company, for future business needs, your Directors do not recommend any Dividend in respect of the year ended 31<sup>st</sup> March, 2005.

**OPERATIONS**

The Company achieved a turnover of Rs. 902.97 lakhs as against Rs. 834.70 lakhs in the previous. The profit before tax has been Rs. 92.45 lakhs as against Rs. 35.55 lakhs in the previous year. The increase in PBT has been mainly due to effective utilization of available resources and vigorous cost control measures undertaken by your Company at various levels.

**FUTURE PROSPECTS**

The future of transport sector is absolutely dependent on the revival of the Industrial Sector. Your Directors are confident that the Company would improve upon its financial growth including profitability in the coming year considering the fact that the Indian Economy is growing. Further the Central Governments efforts in building Highways across the country will also be beneficial to the Transport Industry. Your Company is well set to reap the harvest of ongoing boom in the Indian Economy It has also diversified into the hiring of Construction equipment business by purchasing one excavator and six dumpers. It is expected that six numbers of excavators and thirty numbers of dumpers will be acquired very shortly. The growth rate in this line of operations will not be less than 30% on annualized basis.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public, during the year under review.

**DIRECTORS**

Shri Bhag Chand Jain and Shri Rikhab Chand Jain retire by rotation at the forth coming Annual General Meeting but being eligible, have offered themselves for re-appointment.

**INTER STATE OIL CARRIER LIMITED****DIRECTORS' RESPONSIBILITY STATEMENT**

As per Section 217(2AA) of the Companies Act, 1956 your Directors' state: -

- i. That in the preparation of Annual Accounts, the applicable Accounting Standards had been followed and no material departures have been made for the same.
- ii. That the Directors had 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 for that period.
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors had prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE REPORT**

Corporate Governance Report including Management Discussion and Analysis Report has been annexed here to and marked as Annexure – A.

**AUDITORS**

M/S. Patni & Co., Chartered Accountants, the Auditors of the Company shall hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has also received a certificate from them under section 224 (1-B) of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

None of the employees are drawing remuneration exceeding Rs. 200000.00 per month or Rs. 24,00,000.00 per year. Hence, details required to be furnished in accordance with Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not required.

**PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

Your Company has no activity relating to conservation of energy or technology absorption to be declared pursuant to section 217(1)(e) of the Companies Act, 1956.

There is no earning or outgo of Foreign Exchange during the year under review.

**ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation of the assistance and co-operation extended to the Company by commercial Banks, Government of India, various State Governments, Share holders and all others whose continued support has been a source of strength to the Company. Your Directors also wish to place on record their sincere appreciation of contribution and high level of commitment of every employee of the Company.

Registered Office :  
Poddar Point, South Wing  
5<sup>th</sup> Floor, 113, Park Street  
Kolkata – 700 016  
Dated 16<sup>th</sup> August, 2005

By Order of the Board  
For Inter State Oil Carrier Limited

Shanti Lal Jain  
Chairman

## INTER STATE OIL CARRIER LIMITED

**Annexure - A****CORPORATE GOVERNANCE REPORT****Company's Philosophy on the Code of Governance: -**

Corporate Governance primarily involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all Shareholders. The Corporate Governance code introduced by the Securities & Exchange Board of India (SEBI) has been incorporated in Clause No. 49 in the Listing Agreement of the Stock Exchange and in the Companies (Amendment) Act, 2000.

The objective of your Company is not only to meet the statutory requirements of the code but also to go well beyond it by instituting such systems and procedures as are in accordance with the latest Global trend of making management completely transparent and institutionally sound.

Your Company has always believed in the concept of good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhancing Shareholder value. The Company has professionals on its Board of Director who are actively involved in the deliberation of the Board on all important policy matters.

**Board of Directors: -**

The composition of the Board as on 31st March, 2005 and other information is as follows:

Name	Category	No. of Board Meetings attended during 2004-05	Whether attended AGM held on 25th September 2004	No. of Directors hips in other Public Limited Co's	No. of Committee positions held in other Public Limited Co's	
					Chairman	Member
Mr Shanti Lal Jain (Chairman)	Promoter Non-Independent Executive	4	Yes	1	--	--
Mr. Sanjay Jain (Managing Director)	Promoter Non-Independent Executive	5	Yes	--	--	--
Mr. Rikhab Chand Jain (Wholetime Director)	Promoter Non-Independent Executive	Nil	No	--	--	--
Mr. Bhag Chand Jain	Independent Non-Executive	5	Yes	2	2	1
Mr. Shankar Lal Khandelwal	Independent Non-Executive	5	Yes	1	--	--
Mr. Neeraj Jain	Independent Non-Executive	5	No	--	--	--

The Board of Directors met on the following dates during the last financial year:

● 29th April, 2004 ● 30th July, 2004 ● 14th August, 2004 ● 30th October, 2004 ● 29th January, 2005



**INTER STATE OIL CARRIER LIMITED****Audit Committee:**

The Audit Committee of the Company was constituted in the Board Meeting held on 29.04.2002. The terms of reference of the Audit Committee as stipulated by the Board are in accordance with the entire item listed in Clause 49(II).

1. To review report of the Internal Audit Department and recommend to the Board to decide about the scope of its works including the examination of major items of expenditure.
2. To meet Statutory and Internal Auditors periodically and discuss their findings, suggestions and other related matters.
3. To review the Auditors' Report on the financial statement and to seek clarification thereon, if required, from the Auditors.
4. To review the weaknesses in internal controls, if any, reported by the internal and statutory auditors and report to the Board the recommendations relating thereto.
5. To act as a link between the statutory and internal auditors and the Board of Directors.
6. To recommend a change in the Auditors if in the opinion of the Committee the Auditors have failed to discharge their duties adequately.
7. And, generally, all items listed in Clause 49(II) (D) of the Listing Agreement.

The Company has complied with the requirements of Clause 49(II)(A) as regards the composition of the Audit Committee.

**The Audit Committee of Inter State Oil Carrier Limited as on 31st March, 2005 comprises of the following three Directors of the Company:**

Shri Bhag Chand Jain	Chairman	Independent Non-Executive Director
Shri Neeraj Jain	Member	Independent Non-Executive Director
Shri Shankar Lal Khandelwal	Member	Independent Non-Executive Director

Shri Bhag Chand Jain & Shri Neeraj Jain are qualified Chartered Accountants. The other one Member of the Committee has wide exposure in the relevant areas.

Shri Dilip Kumar Singh being the Company Secretary of the Company acts as the Secretary to the Committee.

**The Audit Committee met on the following dates during the last financial year:**

23rd April, 2004    23rd July, 2004    2nd August, 2004    23rd October, 2004    24th January, 2005

**Attendance at the Audit Committee Meeting:**

Name of Director	No. of Meeting held	No. of Meetings Attended
Shri Bhag Chand Jain	5	5
Shri Shankar Lal Khandelwal	5	5
Shri Neeraj Jain	5	5

Necessary quorum was present at the meetings.

Audit Committee meetings are attended by Company Secretary. Representatives of the Statutory Auditors are being invited to the Meetings as and when required.

**Shareholder's / Investor's Grievance Committee:**

**Terms of Reference :**

The Company has independent Shareholders' Committee which was constituted in the Board Meeting held on 29.04.2002 to look into redressal of investors' complaints and requests like delay in transfer of shares/debentures, non receipt of dividend, annual reports etc.

**The Committee comprises of :**

Shri Neeraj Jain	Chairman	Independent Non-Executive Director
Shri Shanti Lal Jain	Member	Promoter-Non Independent-Executive Director
Shri Sanjay Jain	Member	Promoter-Non Independent-Executive Director

Shri Dilip Kumar Singh being the Company Secretary of the Company acts as the Secretary to the Committee.

**The Shareholders Grievance Committee met on the following dates during the last financial year:**

23rd April, 2004    23rd July, 2004    23rd October, 2004    24th January, 2005

## INTER STATE OIL CARRIER LIMITED

**Attendance at the Shareholders Grievance Committee Meeting:**

Name of Director	No. of Meeting held	No. of Meetings Attended
Shri Shanti Lal Jain	4	1
Shri Sanjay Jain	4	4
Shri Neeraj Jain	4	4

Necessary quorum was present at the meetings.

**Reports and Correspondence/Communication received from the Investors during the period 1st April, 2004 to 31st March, 2005 (Based on information received from the Company's Registrars).**

Nature of Queries (Correspondence)	Total Received	Total Replied	Pending Queries Days			Remarks
			0-7	7-15	Above 15	
(1) Non-receipt of Interest/ Dividend Warrant	—	—	—	—	—	—
A. Warrant Already Paid	—	—	—	—	—	—
B. Fresh Cheques issued against requests for duplicate warrants	—	—	—	—	—	—
C. Reply sent giving warrant details (Reconciliation in Process)	—	—	—	—	—	—
D. Miscellaneous queries in connection with payments	—	—	—	—	—	—
(2) Inquiry pertaining to non-receipt of shares sent for transfer	2	2	—	—	—	—
(3) Inquiry on Dematerialisation of shares	—	—	—	—	—	—
(4) Name Correction	1	1	—	—	—	—
(5) Letters received from SEBI and other statutory bodies	—	—	—	—	—	—
Other Correspondence/Requests received:						
(6) Change of Address	7	7	—	—	—	—
(7) ECS/Mandate Registration	—	—	—	—	—	—
(8) Loss of Shares	—	—	—	—	—	—
(9) Split/Consolidation/Remat/Replace Duplicate issue of Certificates	24	24	—	—	—	—
(10) Request for Nominations	—	—	—	—	—	—
(11) Tax exemption Forms	—	—	—	—	—	—
(12) Transmission of Securities	1	1	—	—	—	—
(13) Exchange/Sub-division of old Shares	—	—	—	—	—	—
(14) Dividend/Interest queries Including request for changes on live warrants (Death Certificates, Change in Bank Mandate details, Name Correction, etc.)	—	—	—	—	—	—
(15) Fresh Cheques issued against Time barred instruments	—	—	—	—	—	—
(16) Document Registration	1	1	—	—	—	—
(17) Others (Miscellaneous)	—	—	—	—	—	—



**INTER STATE OIL CARRIER LIMITED****Remuneration Committee:**

The Company had constituted the Remuneration Committee in the Board of Directors Meeting held on 29.04.2002. The broad terms of reference are to determine and recommend to Board, compensation payable to Executive Directors, appraisal of the performance of the Managing Director and to determine and advise the Board for the payment of annual commission/compensation to the Non-Executive Directors.

**The Remuneration Committee of Inter State Oil Carrier Limited as on 31<sup>st</sup> March, 2005 comprises of the following three Directors of the Company.**

Shri Bhag Chand Jain	Chairman	Independent Non-Executive Director
Shri Neeraj Jain	Member	Independent Non-Executive Director
Shri Shankar Lal Khandelwal	Member	Independent Non-Executive Director

Two meeting was held during the financial year 2004-2005 i.e. 21<sup>st</sup> April, 2004 & 30<sup>th</sup> October, 2004 and all the members attended the same.

**Remuneration of Directors:**

The remuneration of the Non-Executive Directors (NEDs) of your Company is decided by the Board of Directors of the Company. The NEDs are paid remuneration by way of Sitting Fees.

The Company pays remuneration to its Managing Director and whole time Directors by way of salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders. The Board on the recommendations of the Remuneration Committee approves the annual increments (effective from 1<sup>st</sup> April each year). The Board fixes a ceiling on perquisites and allowances as a percentage of salary. Within the prescribed ceiling the perquisite package is recommended by the Remuneration Committee. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of financial year based on the recommendations of the Remuneration Committee, subject to the overall ceiling as stipulated in Sections 198 and 309 of the Companies Act.

Given below are the details of remuneration to Directors during the financial year 2004-2005

Director	Sitting Fees(Rs.)	Salaries & other perquisites (Rs.)
Shri Shanti Lal Jain	2800.00	679517.00
Shri Sanjay Jain	3500.00	845100.00
Shri Rikhab Chand Jain	Nil	397787.00
Shri Bhag Chand Jain	3500.00	Nil
Shri Shankar Lal Khandelwal	3500.00	Nil
Shri Neeraj Jain	3500.00	Nil

**Management Discussion & Analysis Report :**

As required by clause 49 of the Listing Agreement, Management discussion & analysis report forms part of the Annual Report and is marked as Annexure – B.

**Details of General Meetings:**

Location, date and time of General Meetings held during the last 3 years:

Year	Location	AGM/EGM	Date	Day	Time	No. of Special Resolutions passed
2001-2002	Somany Conference Hall, 15B, Hemanta Basu Sarani, 2nd Floor, Kolkata –700001	AGM	28th September, 2002	Saturday	3.30 p.m.	Nil
2002-2003	As above	AGM	20th September, 2003	Saturday	3.30 p.m.	Nil
2003-2004	As above	AGM	25th September, 2004	Saturday	3.30 p.m.	Nil

**INTER STATE OIL CARRIER LIMITED****Disclosures/ Related Party Transactions:**

Related party Transactions are defined as the transactions of the Company of material nature, with its promoters, the directors of the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

Among the related-party transactions are contracts or arrangements, made by the Company from time to time with Companies in which the Directors are interested. All these contracts or arrangements are entered in a Register of Contracts under Section 301 of the Companies Act, 1956 and the register is placed before every Board meeting.

All transactions covered under the related party transactions are regularly ratified and/or approved by the Board. There were no material transactions during the year 2004-2005 that are prejudicial to the interest of the Company.

**Statutory Compliance, Penalties and Strictures:**

The Company has complied with the requirements of the Stock Exchange/SEBI/and Statutory Authority on all matters related to capital markets during the last three years. There are no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities relating to the above.

**Statutory Compliance:**

The Managing Director of the Company acts as a Compliance Officer who advises the Company on compliance issues with respect to the laws of various jurisdictions in which the Company has its business activities and ensures that the Company is not in violation of laws of any jurisdiction where the Company operates. All Business Heads/Unit In-charges give Compliance Certificate to Board of Director of the Company through Compliance Officer. The Compliance Officer ensures that the business operations of the Company are not in contravention of any laws.

**Dematerialisation of Shares and Liquidity:**

76.4060% of the Company's share capital has been dematerialised as on 31.03.2005.

**Distribution of Shareholding as on 31st March, 2005**

Category	No. Of Shareholders	Percentage	No. of Shares	Percentage
1-500	1955	74.7038	387721	7.7663
501-1000	257	9.8204	223516	4.4772
1001-2000	129	4.9296	204444	4.0955
2001-3000	76	2.9040	190496	3.8157
3001-4000	38	1.4520	142210	2.8485
4001-5000	37	1.4138	173116	3.4676
5001-10000	55	2.1016	417596	8.3648
Above 10000	70	2.6748	3253201	65.1643
<b>Total</b>	<b>2617</b>	<b>100.0000</b>	<b>4992300</b>	<b>100.0000</b>

**Categories of Shareholders as on 31st March, 2005**

Category	No. of Shareholders	Voting Strength (%)	No. of Ordinary Shares
Promoters	1411400	28.2715	1411400
Institutional Investors	Nil	Nil	Nil
Private Corporate Bodies	1195285	23.9426	1195285
Indian Public	2384815	47.7699	2384815
NRI's / OCB's	800	00.0160	800