

# *Inter State Oil Carrier Limited*

*Annual Report*  
**2005-2006**

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## INTER STATE OIL CARRIER LIMITED



**BOARD OF DIRECTORS** : SHRI SHANTI LAL JAIN *CHAIRMAN*  
 SHRI SANJAY JAIN *MANAGING DIRECTOR*  
 SHRI RIKHAB CHAND JAIN *WHOLE TIME DIRECTOR*  
 SHRI BHAG CHAND JAIN  
 SHRI SHANKAR LAL KHANDELWAL  
 SHRI NEERAJ JAIN

**COMPANY SECRETARY** : SHRI JITENDRA TIWARI

**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, MANGOE LANE  
 KOLKATA - 700 001  
 PH NO. - 2243 5029

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

Notice is hereby given that the 22nd 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 23rd September 2006 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, 2006 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 Neeraj Jain who retires by rotation and being eligible, offers himself for reappointment
- 3 To appoint a Director in place of Shri Shankar Lal Khandelwal 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

**SPECIAL BUSINESS:**

- 5 To consider and if thought fit, to pass with or without modification(s), the following resolutions as ordinary resolution  
 "Resolved that pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Shri Shanti Lal Jain as Chairman of the Company for a period of five years w e f 1st December, 2005 on the terms and conditions specified in the agreement executed between the Company and Shri Shanti Lal Jain, a copy whereof laid on the table and initialed by the Chairman for the purpose of identification and also specified in the Explanatory statement under section 173(2) of the Companies Act 1956 annexed to the Notice convening the 22nd Annual General Meeting with liberty to the Board of Directors to modify/amend the above agreement in the manner and to the extent agreed to between the Board of Directors and Shri Shanti Lal Jain"

"Further resolved that in the event of inadequacy or absence of profit in any relevant financial year, Shri Shanti Lal Jain shall be paid the same remuneration as stated in the Explanatory Statement as minimum remuneration but subject to the upper limit if any, prescribed under the Companies Act, 1956 from time to time".

'Further resolved that the Board of Directors is hereby authorised to do all such acts, things and deeds which are connected there with or incidental thereto"

- 6 To consider and if thought fit, to pass with or without modification(s), the following resolutions as ordinary resolution  
 'Resolved that pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Shri Sanjay Jain as Managing Director of the Company for a period of five years w e f 1st December, 2005 on the terms and conditions specified in the agreement executed between the Company and Shri Sanjay Jain, a copy whereof laid on the table and initialed by the Chairman for the purpose of identification and also specified in the Explanatory statement under section 173(2) of the Companies Act, 1956 annexed to the Notice convening the 22nd Annual General Meeting with liberty to the Board of Directors to modify/amend the above agreement in the manner and to the extent agreed to between the Board of Directors and Shri Sanjay Jain"

'Further resolved that in the event of inadequacy or absence of profit in any relevant financial year, Shri Sanjay Jain shall be paid the same remuneration as stated in the Explanatory Statement as minimum remuneration but subject to the upper limit if any, prescribed under the Companies Act, 1956 from time to time"

"Further resolved that the Board of Directors is hereby authorised to do all such acts, things and deeds which are connected there with or incidental thereto"

Registered Office  
 Poddar Point South Wing  
 5th Floor 113, Park Street  
 Kolkata - 700 016  
 Dated 14th August, 2006

By Order of the Board  
 For Inter State Oil Carrier Limited

Jitendra Tiwari  
 (Company Secretary)

## INTER STATE OIL CARRIER LIMITED

**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, 18th day of September, 2006 to Saturday, 23rd day of September, 2006 (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 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
Neeraj Jain	27	CA	More than 5 year in Finance & Taxation	Nil
Shankar Lal Khandelwal	60	B Com	More than 20 year in Accounts	Arvind Chemicals Ltd

**ANNEXURE TO NOTICE**

Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956

**ITEM No. 5**

The Board of Directors, of the Company at its meeting held on 29th October 2005 reappointed Shri Shanti Lal Jain as Executive Chairman of the Company for a period of 5 years w e f 1st December 2005 subject, however, to the approval of the Member of the Company The brief terms and conditions of re-appointment of Shri Shanti Lal Jain, Executive Chairman is as under -

**A. SALARY**

Rupees Sixty Four Thousand per month Annual increment effective April 1st each Financial year commencing from April 2006 will be Rs 10,000/- (Rupees Ten Thousand Only)

**B. PERQUISITES**

- I. **Housing** : The expenditure of the company for providing un-furnished Accommodation shall be subject to ceiling of 60% of the Salary of Shri Shanti Lal Jain over and above 10% payable by him Alternatively, Shri Shanti Lal Jain may be allowed to draw house rent allowance of 60% of his Salary
- II. **Gas, Electricity & Water** : Expenditure incurred by Shri Shanti Lal Jain on gas, electricity & water shall be reimbursed by the Company
- III. **Medical Reimbursement** : Medical Expenses incurred by the reappointee for himself and his family shall be reimbursed, subject to a ceiling of one months Salary each year or three months' Salary over a period of three years
- IV. **Leave Travel Concession** : For the reappointee and his family, once in a year in accordance with Company's rules
- V. **Club Fees** : Fees of clubs subject to a maximum of two clubs This will not include admission and life membership fees

## INTER STATE OIL CARRIER LIMITED



**VI. Personal Accident Insurance :** Personal accident insurance, the premium of which shall not exceed Rs 10000 per annum

**VII. Provident Fund :** Contribution to provident fund, to the extent the same is not taxable under the Income Tax Act

**VIII. Gratuity :** Gratuity as per the provisions of the payment of Gratuity Act or as per the Gratuity Scheme of the Company, whichever is higher

**IX. Car & Telephone** Provision of a car with driver for use on Company's business and a telephone at the residence

**C. OTHERS**

The Service Agreement is subject to termination by three months' Notice by either side

The reappointee will perform duties under supervision, control and direction of the Board of Directors

The above may be treated as abstract under section 302 of the Companies Act 1956

Copy of the agreement executed between Shri Shanti Lal Jain and the Company will be available for inspection by the Members at the Registered Office of the Company between 11 00 AM to 2 00 PM on working days

The Board of Directors recommends the resolution for approval of the Members

Save and except Shri Shanti Lal Jain, Shri Sanjay Jain and Shri Rikhab Chand Jain, no Director of the Company is concerned or interested in the Resolution being item No 5 in the Notice

**ITEM No. 6**

The Board of Directors, of the Company at its meeting held on 29th October 2005 reappointed Shri Sanjay Jain as Managing Director of the Company for a period of 5 years w e f 1st December 2005 subject, however, to the approval of the Member of the Company The brief terms and conditions of re-appointment of Shri Sanjay Jain, Managing Director is as under -

**A. SALARY**

Rupees Sixty Four Thousand per month Annual increment effective April 1st each Financial year commencing from April 2006 will be Rs 10,000/- (Rupees Ten Thousand Only)

**B. PERQUISITES**

**I. Housing :** The expenditure of the company for providing un-furnished Accommodation shall be subject to ceiling of 60% of the Salary of Shri Sanjay Jain over and above 10% payable by him Alternatively, Shri Sanjay Jain may be allowed to draw house rent allowance of 60% of his Salary

**II. Gas, Electricity & Water :** Expenditure incurred by Shri Sanjay Jain on gas, electricity & water shall be reimbursed by the Company

**III. Medical Reimbursement :** Medical Expenses incurred by the reappointee for himself and his family shall be reimbursed, subject to a ceiling of one months Salary each year or three months' Salary over a period of three years

**IV. Leave Travel Concession :** For the reappointee and his family, once in a year in accordance with Company's rules

**V. Club Fees :** Fees of clubs subject to a maximum of two clubs This will not include admission and life membership fees

**VI. Personal Accident Insurance :** Personal accident insurance, the premium of which shall not exceed Rs 10000 per annum

**VII. Provident Fund :** Contribution to provident fund, to the extent the same is not taxable under the Income Tax Act

**VIII. Gratuity :** Gratuity as per the provisions of the payment of Gratuity Act or as per the Gratuity Scheme of the Company, whichever is higher

**IX. Car & Telephone :** Provision of a car with driver for use on Company's business and a telephone at the residence

**C. OTHERS**

The Service Agreement is subject to termination by three months' Notice by either side

The reappointee will perform duties under supervision, control and direction of the Board of Directors

The above may be treated as abstract under section 302 of the Companies Act, 1956

Copy of the agreement executed between Shri Sanjay Jain and the Company will be available for inspection by the Members at the Registered Office of the Company between 11 00 AM to 2 00 PM on working days

The Board of Directors recommends the resolution for approval of the Members

Save and except Shri Sanjay Jain, Shri Shanti Lal Jain and Shri Rikhab Chand Jain, no Director of the Company is concerned or interested in the Resolution being item No 5 in the Notice

## INTER STATE OIL CARRIER LIMITED

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Annual Report and the Audited Accounts of the Company for the year ended 31st March 2006

**FINANCIAL HIGHLIGHTS**

<b><u>Particulars</u></b>	<b><u>(Rs in Lacs)</u></b> <b><u>31st March 2006</u></b>	<b><u>(Rs in Lacs)</u></b> <b><u>31st March 2005</u></b>
Turnover	632 13	889 72
Profit before Tax	172 20	92 09
Less Provision for Taxation		
Current Year Tax	10 00	5 00
Deferred Tax	27 72	8 25
FBT & Adj of STT	3 18	0.84
Add Income Tax Adjusted of earlier year	0 06	(3 95)
Profit after Tax	131 35	74 05
Less Transfer to Statutory Reserve Fund	26 30	17 50
Amount available for Appropriation	105 05	56 55
Surplus B/f from the Previous year	177 40	120.85
Balance Carried Forward	282 45	177.40

**KEY INDICATION**

Share Capital	499 23	499 23
Reserve and Surplus	358 11	226 76
Networth	857 34	725 99
RONW (%)	14 46	7 79
Fixed Assets	712 11	250 53
Book Value per Share (Rs )	17 18	14 55
EPS	2 63	1 73

**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 31st March, 2006

**OPERATIONS**

The Company clocked a turnover of Rs 632 13 lakhs as against turnover of Rs 889 92 lakhs in the previous year. It is be noted that the turnover figure of these two years are not comparable in as much as from the accounting year 2005-2006, turnover pertaining to sale of shares have been reflected in terms of Investment portfolio and dealt with separately. However net profit after tax in respect to year under review has jumped to Rs 131 35 lakhs as against 74 05 lakhs of the previous year.

**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 area of infrastructural development by purchasing earth moving equipments and dumpers.

**PUBLIC DEPOSITS**

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



**INTER STATE OIL CARRIER LIMITED****CAPITAL EXPENDITURE**

As at March 31st 2006 the gross fixed assets stood at Rs 932 35 lakhs and the net fixed assets at Rs 712 11 lakhs Addition during the year amounted to Rs 564 65 lakhs

**DIRECTORS**

Shri Neeraj Jain and Shri Shankar Lal Khandelwal retire by rotation at the forth coming Annual General Meeting but being eligible, have offered themselves for re-appointment

**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  
5th Floor 113, Park Street  
Kolkata - 700 016  
Dated 14th August, 2006

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 Directors 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, 2006 and other information is as follows:

Name	Category	No. of Board Meetings attended during 2005-06	Whether attended AGM held on 24th September 2005	No. of Directorships in other Public Limited Co's	No. of Committee positions held in other Public Limited Co's		No. of Equity Shares held
					Chairman	Member	
Mr Shanti Lal Jain (Chairman)	Promoter Non-Independent Executive	6	Yes	—	—	—	138490
Mr Sanjay Jain (Managing Director)	Promoter Non-Independent Executive	5	Yes	—	—	—	82800
Mr Rikhab Chand Jain (Wholetime Director)	Promoter Non-Independent Executive	Nil	Yes	—	—	—	40000
Mr Bhag Chand Jain	Independent Non-Executive	6	Yes	2	2	1	8200
Mr Shankar Lal Khandelwal	Independent Non-Executive	6	Yes	1	—	—	300
Mr Neeraj Jain	Independent Non-Executive	6	Yes	—	—	—	Nil

**The Board of Directors met on the following dates during the financial year 2005-2006:**

26th April, 2005

29th April, 2005

29th July, 2005

16th August, 2005

29th October, 2005

30th January, 2006

**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.



**INTER STATE OIL CARRIER LIMITED**

- 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, 2006 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 have wide exposure in the relevant areas

Shri Jitendra Tiwari being the Company Secretary of the Company acts as the Secretary to the Committee

**The Audit Committee met on the following dates during the financial year 2005-2006 :**

23rd April, 2005 • 23rd July, 2005 • 1st August, 2005 • 20th October, 2005 • 20th January, 2006

**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

**Shareholders'/Investors' 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 Jitendra Tiwari 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 financial year 2005-06 :**

23rd April 2005 • 23rd July, 2005 • 20th October, 2005 • 20th January, 2006

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

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

Necessary quorum was present at the meetings

## INTER STATE OIL CARRIER LIMITED



Reports and Correspondence/Communication received from the Investors during the period 1st April, 2005 to 31st March, 2006. (Based on information received from the Company's Registrar).

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/Request received						
(6) Change of Address	9	9		—		—
(7) ECS/Mandate Registration	—	—		—		—
(8) Loss of Shares	4	4		—		—
(9) Split/Consolidation/Remat/Replace Duplicate issue of Certificates	17	17		—		—
(10) Request for Nominations	—	—		—		—
(11) Tax exemption Forms	—	—		—		—
(12) Transmission of Securities	—	—		—		—
(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	—	—		—		—
(17) Others (Miscellaneous)	1	1		—		—