

Inter State Oil Carrier Limited

2019-2020



The Perfect Blend - of Vision and Growth



BOARD OF DIRECTORS : SHRI SHANTI LAL JAIN *CHAIRMAN*
 SHRI SANJAY JAIN *MANAGING DIRECTOR*
 SHRI RIKHAB CHAND JAIN *WHOLE TIME DIRECTOR*
 SHRI SUNIL SHAH
 SMT. POOJA SARDA
 SHRI NAND KUMAR BHATTER

COMPANY SECRETARY : SMT NIKITA MOHTA

REGISTERED OFFICE : 113, PARK STREET
 PODDAR POINT, SOUTH WING
 5TH FLOOR, KOLKATA - 700 016
 PH NO. - 2229 0588, 4067 5182
 FAX. : 2229 0085
 Email : info@isocl.in

STATUTORY AUDITOR : M/S VASUDEO & ASSOCIATES, Chartered Accountants
 5 & 6, FANCY LANE
 3RD FLOOR, ROOM NO - 9
 KOLKATA - 700 001

BANKERS : INDUSIND BANK
 STATE BANK OF INDIA
 ICICI BANK LIMITED

SHARE TRANSFER AGENT : MAHESHWARI DATAMATICS PVT. LTD
 23, R N MUKHERJEE ROAD
 5TH FLOOR, KOLKATA - 700 001
 PH NO. - 2243 5029, 2248 2248
 FAX.- 2248 4787
 Email : mdpldc@yahoo.com



BOARD'S REPORT

To the members of Interstate Oil Carrier Limited.

Your Directors have pleasure in presenting the 36th Annual Report along with the Audited Financial Statement of Accounts of the Company for the Financial Year 2019-2020.

FINANCIAL HIGHLIGHTS

<u>PARTICULARS</u>	<u>(Rs in Lacs)</u> <u>2019-2020</u>	<u>(Rs in Lacs)</u> <u>2018-2019</u>
Total Income	3106.45	3206.94
Turnover	3087.14	3171.85
Profit before Interest & Tax	(43.12)	(109.04)
Profit before Tax	(128.66)	(212.70)
Less: Provision for Taxation:-		
Current year Tax	(2.64)	2.38
Deferred Tax & Earlier Year Tax	(25.95)	(35.21)
Profit after Tax	(100.99)	(180.42)
Surplus B/f from the previous year	628.48	819.16
Balance Carried Forward	527.50	628.48

KEY FINANCIAL INDICATORS

Share Capital	499.23	499.23
Reserve and Surplus	751.68	852.67
Net worth	1250.91	1351.90
Fixed Assets	1091.30	1242.59
Book Value per Share (Rs.)	25.06	27.08

DIVIDEND

Your directors do not recommend for payment of dividend in respect of the financial year ended 31st March, 2020, due to loss incurred in the year under review.

TRANSFER TO RESERVES

Due to loss sustained by your Company in the Financial Year 2019-20, there is no question of transferring any sum to the general reserve.

INDIAN ECONOMY

The Indian Economy exhibited signs of slow down during the early part of year with GDP growth declining to 4.8% in half 1 of 2019-2020 bogged down with muted demand in the core sectors. The GDP for 2019-2020 had been 3.2%.

The International Monetary Fund(IMF) has pegged Indian GDP growth for 2020-2021 at 1.9%.

In its latest Economy outlook report, the IMF projects rebound in the growth of Indian Economy in the Financial Year 2021-2022 at 7.4%.

**TRANSPORT SECTOR**

It is expected that due to Covid 19 pandemic and consequently disruption in supply chain, the production at factories of various industries will be impacted. Less demand for finished products means less demand for raw material too. This scenario will continue in 2020-2021 and may overlap the first half of 2021-2022.

It is, therefore, expected that the transport sector will have pernicious contraction in demand. Therefore, there will be less movement of trucks/tankers, across the country during the period mentioned above.

PERFORMANCE REVIEW

The Total Income for the year ended 31st March, 2020 has been Rs. 3106.45 Lacs as against Rs. 3206.94 lacs in the previous year, showing decrease of Rs. 100.49 Lacs. Loss for the year Rs. 100.99 Lacs as against of Rs. 180.42 Lacs in the previous year.

FUTURE PROSPECTS

As outlined under the head *Transport Sector*, it can reasonably be stated that the future of transport sector will revive not before the First half of 2021-2022.

CHANGE IN NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company.

COVID 19 PANDEMIC

The Covid-19 pandemic is the defining global health crisis of our time and is spreading very fast across the continents. But it is much more than a health crisis and is having an unprecedented impact on people and economies worldwide.

The Company is taking all necessary measures in terms of mitigating the impact of challenges being faced due to Covid 19. Though the long term directional priorities of the Company remain firm, in light of Covid 19 and its expected impact on the operating environment, the key priorities of your Company would be to closely monitor the supply chain, conserve cash and control fixed cost while continuing to invest in acquiring more trucks/tankers.

SHARE CAPITAL

During the year under review, the Company has not issued shares of any kind. The paid up share capital of the Company stands at Rs. 4,99,23,000 comprising of 49,92,300 equity shares of Rs. 10 each as on 31/03/2020.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA), vide its notification in the Official Gazette dated 16th February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. IndAS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014. For your Company, Ind AS became applicable from 1st April, 2019 and the Accounts have been prepared accordingly

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.



DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors Appointment and Re-appointment

Appointment

Pursuant to the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors appointed Mr. Sunil Shah as Additional Director of the Company with effect from 30th November, 2019, in accordance with the Articles of Association and Section 161(1) of the Companies Act, 2013. He holds office upto the date of the forthcoming Annual General Meeting. A notice, under Section 160(1) of the Act, has been received from a Member signifying her intention to propose his appointment as Director. Further, based on the recommendation of NRC, the Board also appointed Mr. Sunil Shah as Independent Director of the Company for a period of five consecutive years w.e.f. 30th November, 2019, subject to approval of the Members at the ensuing Annual General Meeting.

The Board recommends the appointment of Mr. Sunil Shah as Independent Director of the Company by way of Ordinary Resolution.

Re-appointment

In accordance with the provisions Section 152 of the Companies Act, 2013, and Articles of Association of the Company, Mr. Shanti Lal Jain (DIN:00167773), Executive Chairman of the Company, is liable to retire by rotation at the forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment.

Resignation

During the year under review, Mr. Vikash Jain, Independent Director of the Company, resigned from the directorship of the Company w.e.f 25.11.2019 vide his letter dated 18.11.2019 due to pressing professional engagements and frequent travel. Further, vide his letter dated 20.11.2019, he confirmed that there was no other reason for his resignation except the ones stated in the resignation letter.

Independent Directors

In terms of Section 149 of the Act, Mrs. Pooja Sarda, Mr. Nand Kumar Bhattar and Mr. Sunil Shah are the Independent Directors of the Company. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent from the management. The Independent Directors of the Company hold office for a term of five years. They are not liable to retire by rotation in terms of Section 149(13) of the Act. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications and experience and that they hold highest standards of integrity.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.



The disclosures required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given separately in the notice of Annual General Meeting.

Key Managerial Personnel

As on date, Mr. Sanjay Jain, Managing Director, Mr. Malay Das, CFO and Mrs. Nikita Mohta, Company Secretary are the Key Managerial Personnel as per Section 2(51) and Section 203 of the Companies Act, 2013.

BOARD MEETINGS

The Board met Six times during the financial year under review on 29th May, 2019, 16th August, 2019, 14th September, 2019, 30th November, 2019, 12th December, 2019 and 12th February, 2020.

The intervening gap between two consecutive Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS

The Board of Directors of the Company is highly structured to ensure high degree of diversity by age, qualification, professional background, sector expertise and special skills.

The Board of Directors have, based on the recommendation of Nomination and Remuneration Committee, identified the following core skills/expertise/competencies of Directors, as required in the context of Company's business:

- a. Operations
- b. Finance
- c. Accounts
- d. Marketing
- e. Management

The skills possessed by your Directors are specified below (Director name wise)

Mr. Shanti Lal Jain, Executive Chairman – Operations

Mr. Sanjay Jain, Managing Director – Marketing, Operations

Mr. Rikhab Chand Jain, Whole Time Director – Operations

Mr. Nand Kumar Bhattar – Independent Director – Management, Accounts

Mrs. Pooja Sarda, Independent Director – Management, Accounts

Mr. Sunil Shah, Additional and Independent Director - Finance, Accounts

BOARD EVALUATION

The Board has carried out the annual evaluation of its own performance and that of its Committees and individual Directors for the year pursuant to the provisions of the Act.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The criteria for performance evaluation of the Board was based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as Board composition and structure, effectiveness of Board processes,



contribution in the long term strategic planning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members. The criteria for performance evaluation of the Committees was based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as structure and composition of committees, effectiveness of committee meetings, etc.

In a separate meeting, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Directors and Non-Executive Directors. They also accessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board and its members that is necessary for the Board to effectively and reasonably perform their duties. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees, was also discussed.

Significant highlights, learning and action points with respect to the evaluation were discussed by the Board. Appropriate actions are taken on the suggestions made by the Board during the Annual Evaluation process and presented to the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, based on the information and representations received from the operating management, your Directors confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 at the end of the financial year and of the loss of the Company for that period;
- c. The Directors have 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;
- d. The Directors have prepared the annual accounts on a going concern basis;
- e. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of the report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

The Company had voluntarily made an application to the Reserve Bank of India in 2015 for cancellation of Non Banking Financial Service certificate. The Company received the cancellation certificate vide RBI letter dated 10/02/2020.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public, covered under Chapter V of the Companies Act, 2013 and the rules made there under.

LISTING INFORMATION

The Equity Shares of your Company are listed on the Bombay Stock Exchange Ltd (BSE) and the code is 530259.

The listing fee for the year 2020-2021 has been paid to Bombay Stock Exchange Ltd (BSE).

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 and 134(3) of the Companies Act, 2013, the extract of annual return in Form MGT – 9 forms part of the Board's report, and is attached as **Annexure – I** and is also available at the Company's website at www.isocl.in.

STATUTORY AUDITORS

M/s Vasudeo & Associates (Firm Reg. No. 319299E), were appointed as Statutory Auditors of the Company at the 33rd Annual General Meeting held on 21st September, 2017, for a period of 5 consecutive years, to hold office until the conclusion of the Annual General Meeting to be held in the year 2022.

Pursuant to Section 139 and 141 of the Companies Act, 2013, read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, the Statutory Auditors have furnished a certificate of their eligibility and consent to continue as Statutory Auditors of the Company.

The Directors have to state that during the year under review, the terms of appointment of the Statutory Auditors were modified in accordance with the SEBI Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019.

STATUTORY AUDITORS' REPORT

The Auditor's Report to the Members is self-explanatory and does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed M/s. Rantu Das & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the year ended 31st March, 2020. The report of the Secretarial Audit is annexed as **Annexure II**. The report is self explanatory and does not call for any further comments. The Company does not have any material subsidiary company and hence the provisions of Secretarial Audit for material unlisted company, as notified by SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08.02.2019, vide which Regulation 24A of SEBI (Listing



Obligations and Disclosure Requirements), Regulations, 2015 was amended, is not applicable to your Company.

ANNUAL SECRETARIAL COMPLIANCE AUDIT

Pursuant to Circular No. CIR/CFD/CMD1/27/2019 dated 08th February, 2019, listed companies shall additionally, on an annual basis, require a check by Practicing Company Secretary ("PCS") on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, consequent to which, the PCS shall submit a report to the listed entity. The Board of Directors appointed M/s. Rantu Das & Associates, Practicing Company Secretaries, to conduct the Annual Secretarial Compliance Audit for the Financial Year 2019-2020 and submit a report in this regard as per the said circular. The said report was placed before the Board of Directors and submitted to the Stock Exchange. The report is self explanatory and does not call for any further comments. The Annual Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITOR

The Board of Directors of your Company has re-appointed Mr. Sudhir Kumar Jha, as the Internal Auditor of the Company for the Financial Year 2020-2021 pursuant to the provisions of Section 138 of the Companies Act, 2013.

COST AUDIT

The provisions of Section 148 of the Companies Act, 2013 relating to Cost Audit are not applicable to your Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements for the year ended 31st March, 2020.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Internal Complaints Committee (ICC) which has been set up to redress complaints regarding Sexual Harassment.

All employees (Permanent, Contractual, Temporary, Trainees) are covered under this Act.

The following is the summary of Sexual Harassment complaints received and disposed of during the year 2019-2020:

No. of Complaints received : NIL

No. of Complaints disposed off : NIL

Internal Complaint Committee meets from time to time to take stock of the situation.

SECRETARIAL STANDARDS

The Company has followed the applicable provisions of Secretarial Standard I and Secretarial Standard II issued by the Institute of Company Secretaries of India.



FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All Board members of the Company are afforded every opportunity to familiarize themselves with the Company, its management, its operations and above all, the Industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them is/are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part. The details of the Familiarisation Programme for Independent Directors with the Company in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company and related matters are available on the Company's website www.isocl.in

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy is to have an appropriate mix of executive and non-executive/ independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31st March, 2020, the Company has 3 Executive Directors and 3 Non Executive Directors on the Board. The Company's Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, attributes of independence of directors and other related matters provided under Section 178(3) of the Companies Act, 2013 and 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment thereto are covered under the Company's Nomination and Remuneration Policy and is also available on the website of the Company. Further, information about elements of remuneration package of individual director is provided in the extract of the Annual return as per Section 92(3) of the Companies Act, 2013 and is annexed hereto and marked as Annexure A, in the prescribed form MGT-9 and forms part of this report.

CORPORATE GOVERNANCE

The matter related to Corporate Governance is not applicable to your Company as the Paid Up Share Capital of the Company is below Rs. 10 Crore and the Net worth of the Company is below Rs. 25 Crores as on the last day of the previous Financial Year as well as on date of the report. This provision is contained in Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

It also has Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The Details of which are given below as per 31st March, 2020.

Audit Committee

1. Mrs. Pooja Sarda – Chairperson, Independent Director
2. Mr. Nand Kumar Bhattar – Member, Independent Director
3. Mr. Sunil Shah– Member, Additional and Independent Director

Nomination and Remuneration Committee

1. Mrs. Pooja Sarda – Chairperson, Independent Director