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Inter State Oil Carrier Limited

Annual Report
2002 - 2003

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Managing Director.

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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 DILIP KUMAR SINGH	
REGISTERED OFFICE	:	PODDAR POINT, SOUTH WING 5TH FLOOR, 113, PARK STREET KOLKATA - 700 016 PHONE : 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 LTD	
SHARE TRANSFER AGENT	:	MAHESHWARI DATAMATICS PVT. LTD. 6, MANGOE LANE KOLKATA - 700 001 PHONE : 2243-5029	

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NOTICE :

Notice is hereby given that the 19th 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 20th September, 2003 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, 2003 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.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution: -

   "Resolved that Shri Neeraj Jain be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

Registered Office :
Poddar Point. South Wing
5th Floor. 113, Park Street
Kolkata - 700 016
Dated 14th August, 2003

By Order of the Board
For Inter State Oil Carrier Limited

Dilip Kumar Singh
(Company *Secretary)*

NOTES:

1. The Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business as set out above, is annexed here to.
2. 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.
3. The Register of the Members and the Share Transfer Books of the Company will remain closed from Monday, 15th day of September, 2003 to Saturday, 20th day of September, 2003 (both days inclusive).
4. Members are requested to inform of any change in their address to the Share Transfer Agent of the Company immediately.
5. 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.
6. 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.
7. Members /Proxies should bring the attendance slip sent herewith, duly filled, for attending the meeting and also their copies of the Annual Report.

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8. Shareholders who have not encashed the dividend warrants for the financial years 1995-96,1996-97 and 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).

9. Particulars seeking re-appointment of Directors to be given as per the Listing Agreement are as under :-

Name of Directors	Age	Qualification	Experience	Other Directorship
Bhag Chand Jain	57	F.C.A.	More than 15 years in Finance & Taxation	Quality Leasing Pvt. Ltd. Howrah Mills Co. Ltd. Gopalpur Tea Co. Ltd.
Rikhab Chand Jain	56	B.Com.	More than 15 years in Transport Industry	Nil
Neeraj Jain	26	F.C.A.	More than 2 years in Finance & Taxation	Nil

ANNEXURE TO NOTICE :

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

Item No : 5

Shri Neeraj Jain was appointed as additional Director of the company in the meeting of the Board of Directors held on 30th July, 2003. As per Section 260 of the Companies Act, 1956, he would hold office till the conclusion of this Annual General Meeting. However, the company has received Notice in writing from a Member of the Company under section 257 of the Companies Act, 1956 expressing his intention to propose the name of Shri Neeraj Jain for appointment as Director of the Company in the forth coming Annual General Meeting. The concerned Member has also deposited with the Company Rs. 500.00. Shri Neeraj Jain has expressed his willingness to act as Director of the Company, if elected and has filed with the Company necessary consent in this regard under section 264(1) of the Companies Act, 1956 . The ordinary Resolution being Item No. 5 in the Notice is intended for the purpose.

The Board of Directors recommends the Resolution for approval of the Members.

Save and except Shri Neeraj Jain, no Director of the company is concerned or interested in the Resolution being Item No. 5 in the Notice.

Registered Office :
Poddar Point. South Wing
5th Floor. 113, Park Street
Kolkata - 700 016
Dated 14th August, 2003

By Order of the Board
For Inter State Oil Carrier Limited

Dilip Kumar Singh
(Company Secretary)

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DIRECTORS' REPORT

Your Directors have pleasure in presenting their 19th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2003.

FINANCIAL HIGHLIGHTS

Particulars	(Rs in Lacs) For the year ended 31.03.2003	(Rs in Lacs) For the year ended 31.03.2002
Turnover	**624.08**	684.00
Other Income	**6.75**	6.93
PBDT	**60.54**	92.08
Depreciation	**44.07**	59.88
Lease Equalisation Reserve	**10.81**	12.81
Provision for Taxation	**8.00**	10.11
Profit after Tax	**(2.34)**	9.28
Add: Deferred Tax Liability Written Off	**13.30**	3.64
Add: Surplus Brought forward from the previous year	**91.42**	79.85
Add: Excess Provision of Tax Written back	**—**	1.25
Transfer to Statutory Reserve Fund	**2.20**	2.60
Amount available for Appropriation	**100.18**	91.42
Balance Carried Forward	**100.18**	91.42

DIVIDEND

In order to augment the working capital requirement of the company for future business needs, your Director do not recommend any Dividend in respect of the year ended 31st March, 2003.

OPERATIONS

The Company achieved a turnover of Rs. 624.08 lakhs as against Rs. 684.00 lakhs in the previous year due to sluggishness in the transport sector and also in Indian economy as a whole. The profit before tax has been Rs. 5.66 lakhs as against Rs. 19.39 lakhs in the previous year. The decline in profit before tax has been mainly due to increase in overall operational cost particularly due to increase in diesel prices thrice during the year under review.

FUTURE PROSPECTS

The future of transport sector is absolutely dependent on the revival of the Industrial Sector. Your Directors, however are, confident that the Company would improve upon the growth including profitability in the coming year considering the fact that the Indian economy is showing sign of revival.

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 retires by rotation at the forth coming Annual General Meeting but being eligible, have offered themselves for re-appointment.

Shri Neeraj Jain was appointed as additional Director of the company in the meeting of the Board of Directors held on 30th July, 2003. As per Section 260 of the Companies Act, 1956, he would hold office till the conclusion of this Annual General Meeting. However, the company has received Notice in writing from a Member of the Company under section 257 of the Companies Act, 1956 expressing his intention to propose the name of Shri Neeraj Jain for appointment as Director of the Company in the forth coming Annual General Meeting. The concerned Member has also deposited with the Company Rs. 500.00. Shri Neeraj Jain has expressed his willingness to act as Director of the Company, if elected and has filed with the Company necessary consent in this regard under section 264(1) of the Companies Act, 1956 .

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DIRECTOR'S 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 departure have been made for the same.

ii. That the Directors had selected such accounting policies and applied them consistently and made judgements 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 profit 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 includes Management Discussion and Analysis Report has been annexed hereto 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.

Information required to be furnished under the Listing Agreement

The Equity Shares of the Company are listed on :

1. The Calcutta Stock Exchange Ltd
   7 Lyons Range, Kolkata - 700 001
2. The Stock Exchange, Mumbai
   Phiroze Jeejeebhoy Towers
   Dalal Street,Mumbai-400 001
3. The Stock Exchange Ahmedabad
   Kamdhenu Complex, Panjarapole
   Ahmedabad -380 015

The Listing Fees for the year 2002-2003 and also for 2003-2004 have been paid on time to all the above Stock Exchanges & the trading of shares has not been suspended anytime 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 Goverments, 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, 2003

By Order of the Board
For Inter State Oil Carrier Limited

Shanti Lal Jain
Chairman

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ANNEXURE - A

CORPORATE GOVERNANACE 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 within (Amendment), 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, 2003 and other information is as follows:

Name	Category	No. of Board Meetings attended during 2002-03	Whether attended AGM held on 28th September 2002	No. of Directorships in other Public Limited Co's	Committee positions held in other Public Limited Co's	
					Chairman	Member
Mr Shanti Lal Jain (Chairman)	Promoter Non-Independent Executive	7	Yes	1	—	—
Mr. Sanjay Jain (Managing Director)	Promoter Non-Independent Executive	7	Yes	—	—	—
Mr. Rikhab Chand Jain (Wholetime Director)	Promoter Non-Independent Executive	1	No	—	—	—
Mr. Bhag Chand Jain	Independent Non-Executive	7	Yes	2	2	1
Mr. Sumermal Chordia	Independent Non-Executive	5	Yes	—	—	—
Mr. Shankar Lal Khandelwal	Independent Non-Executive	6	Yes	1	—	—
Mr. Suresh Kumar Bajoria	Independent Non-Executive	—	No	—	—	—

Mr Shankar Lal Khandelwal has attended all the Board Meetings held after his appointment on 29th April, 2002.

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

29th April, 2002 15th July, 2002 27th July, 2002 12th August, 2002
29th October, 2002 20th November, 2002 29th January, 2003

The following Director ceased to be Director of the Company during the financial year 2002-2003.

Director who ceased to hold office	Name of Person appointed in place of outgoing Director	Designation of outgoing Director	Category of outgoing Director	No. of meeting attended by the outgoing Director	Whether outgoing Director attended Last AGM
Mr. Suresh Kumar Bajoria	————	Director	Independent Non-Executive	—	No

The information as required under Annexure -1 to clause 49 of the Listing Agreement is being made available to the Board.

Mr Sumermal Chordia has resigned as Director from the Board of Directors of the Company w.e.f 30th July, 2003.

Mr Neeraj Jain has been appointed as Additional Director of the Board of Directors of the Company w.e.f 30th July, 2003.

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, 2003 comprises of the following three Directors of the Company:

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

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Shri Bhag Chand Jain is a qualified Senior Chartered Accountant. The other two Members of the Committee have wide exposure in the relevant areas.

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

Mr Sumermal Chordia has resigned as Director from the Board of Directors of the Company and as member from the Audit Committee w.e.f 30th July, 2003.

Mr Neeraj Jain has been appointed as Additional Director of the Board of Directors of the Company and member of the Audit Committee w.e.f 30th July, 2003.

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

19th July, 2002 1st August, 2002 21st October, 2002 13th November, 2002
21st January, 2003

Attendance at the Audit Committee Meeting:

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

The necessary quorum was present at the meetings.

Audit Committee meetings are attended by Company Secretary. Representative 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 of Directors Meeting held on 29th April, 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 Sumermal Chordia	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.

Mr Sumermal Chordia has resigned as Director from the Board of Directors of the Company and as member from the Shareholders' / Investors' Grievance Committee w.e.f 30th July, 2003.

Mr Neeraj Jain has been appointed as Additional Director of the Board of Directors of the Company and member of the Shareholders' / Investors' Grievance Committee w.e.f. 30th July, 2003.

One meeting was held during the financial year 2002-2003 i.e. 29th June, 2002 and all the members attended the same.

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Reports and Correspondence/Communication received from the Investors during the period 1st April, 2002 to 31st March, 2003. (Based on information received from the Company's Registrar).

Nature of Queries (Correspondence)	Total Received	Total Replied	Pending Queries Days 0-7	7-15	Above 15	Remarks
(1) Non-receipt of Interest/ Dividend Warrant	1	1		—		—
A. Warrant Already Paid	—	—		—		—
B. Fresh Cheques issued against requests for duplicate warrants	1	1		—		—
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	1	1		—		—
(3) Inquiry on Dematerialisation of shares	—	—		—		—
(4) Name Correction	—	—		—		—
(5) Letters received from SEBI and other statutory bodies	—	—		—		—
Other Correspondence/Requests received:						
(6) Change of Address	8	8		—		—
(7) ECS/Mandate Registration	—	—		—		—
(8) Loss of Shares	1	1		—		—
(9) Split/Consolidation/Renewal/ Duplicate issue of Certificates	—	—		—		—
(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	—	—		—		—
(17) Others (Miscellaneous)	3	3		—		—

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