

# Inter State Oil Carrier Limited

*Annual Report*  
**2003-2004**

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

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

Notice is hereby given that the 20th 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 25th September, 2004 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, 2004 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 Shankar Lal Khandelwal who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Shanti Lal 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 14th August, 2004

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, 20th day of September, 2004 to Saturday, 25th day of September, 2004 (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 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).
8. Particulars regarding Director seeking re-appointment to be given as per the Listing Agreement are as under:-

Name of Directors	Age	Qualification	Experience	Other Directorship
Shankar Lal Khandelwal	58	B.Com	More than 20 years in Finance & Taxation	Arvind Chemicals Ltd. Fast Projects Ltd
Shanti Lal Jain	60	Matrik	More than 25 years in Transport Industry	Arvind International Ltd

## INTER STATE OIL CARRIER LIMITED

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their 20th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2004.

**FINANCIAL HIGHLIGHTS**

<b>Particulars</b>	<b>(Rs in Lacs) For the year ended 31.03.2004</b>	<b>(Rs in Lacs) For the year ended 31.03.2003</b>
Turnover	835.07	624.08
Other Income	8.64	6.75
Profit before Tax	35.55	5.66
Provision for Taxation :		
Current year Tax Provision	7.10	8.00
Deferred Tax Provision	(1.93)	13.30
Profit after Tax	26.52	10.96
Less: Transfer to Statutory Reserve Fund	5.70	2.20
Less: Income Tax Adjusted of earlier year	0.15	—
Amount available for Appropriation	20.67	8.76
Surplus B/f from the previous year	100.18	91.42
Balance Carried Forward	120.85	100.18

**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, 2004.

**OPERATIONS**

The Company achieved a turnover of Rs. 835.07 lakhs as against Rs. 624.08 lakhs in the previous year. The profit before tax has been Rs. 35.55 lakhs as against Rs. 5.66 lakhs in the previous year. The increase in PBT has been mainly due to efficient utilization of available resources.

**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 its financial 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 Shankar Lal Khandelwal and Shri Shanti Lal 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 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 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, 2004

By Order of the Board  
For Inter State Oil Carrier Limited

Shanti Lal Jain  
Chairman



## 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 31<sup>st</sup> March, 2004 and other information is as follows:

Name	Category	No. of Board Meetings attended during 2003-04	Whether attended AGM held on 20th September 2003	No. of Directorships 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	—	No	—	—	—
Mr. Bhag Chand Jain	Independent Non-Executive	5	Yes	2	2	1
Mr. Sumermal Chordia	Independent Non-Executive	2	Yes	—	—	—
Mr. Shankar Lal Khandelwal	Independent Non-Executive	5	Yes	2	—	—
Mr Neeraj Jain	Independent Non-Executive	3	Yes	—	—	—

Mr Neeraj Jain has attended all the Board Meetings held after his appointment on 30th July, 2003.

Mr Sumermal Chordia attended 2 Board Meetings before his resignation as Director on 30th July, 2003.

## INTER STATE OIL CARRIER LIMITED



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

28th April, 2003      30th July, 2003      14th August, 2003      29th October, 2003      30th January, 2004

The following Director ceased to be Director of the Company during the financial year 2003-2004.

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. Sumermal Chordia	Mr Neeraj Jain	Director	Independent Non-Executive	2	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 of the Company w.e.f 30th July, 2003.

Mr Neeraj Jain has been appointed as Additional Director 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, 2004 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



**INTER STATE OIL CARRIER LIMITED**

Mr Bhag Chand Jain is a qualified Senior Chartered Accountant. Mr Neeraj Jain is also a qualified Chartered Accountant. The third Member of the Committee has wide exposure in the relevant areas.

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

Mr Sumermal Chordia has resigned as Director 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 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:**

21st April, 2003      25th July, 2003      1st August, 2003      23rd October, 2003      23rd January, 2004

**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	2
Shri Shankar Lal Khandelwal	5	5
Shri Neeraj Jain	5	3

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 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.

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

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

One meeting was held during the financial year 2003-2004 i.e 23rd October, 2003 and all the Members attended the same.



## INTER STATE OIL CARRIER LIMITED



**Reports and Correspondence/Communication received from the Investors during the period 1st April, 2003 to 31st March, 2004. (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	1	1		—		—
(3) Inquiry on Dematerialisation of shares	—	—		—		—
(4) Name Correction	—	—		—		—
(5) Letters received from SEBI and other statutory bodies	1	1		—		—
Other Correspondence received:						
(6) Change of Address	5	5		—		—
(7) ECS/Mandate Registration	—	—		—		—
(8) Loss of Shares	—	—		—		—
(9) Split/Consolidation/Renewal/ Duplicate issue of Certificates	1	1		—		—
(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	2	2		—		—
(16) Document Registration	—	—		—		—
(17) Others (Miscellaneous)	1	1		—		—

## 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 31st March, 2004 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 2003-2004 i.e. 21st April, 2003 & 31st October, 2003 and all the members attended the same.

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

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

**Remuneration of Directors:**

The remuneration of the Non-Executive Directors (NEDs) of our 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 1st 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 2003-2004

Director	Sitting Fees (Rs.)	Salaries & other perquisites (Rs.)
Shri Shanti Lal Jain	2800.00	732956.00
Shri Sanjay Jain	3500.00	858460.00
Shri Rikhab Chand Jain	—	383403.00
Shri Bhag Chand Jain	3500.00	—
Shri Sumermal Chordia	1400.00	—
Shri Shankar Lal Khandelwal	3500.00	—
Shri Neeraj Jain	2100.00	—

**MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

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