

Inter State Oil Carrier Limited

Annual Report
2005-2006



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 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



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 PM 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)



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	C A	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



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

VII. Providend Fund : Contribution to providend 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, which ever 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 anum

VII. Providend Fund : Contribution to providend 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, which ever 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



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

<u>Particulars</u>	<u>(Rs in Lacs)</u> <u>31st March 2006</u>	<u>(Rs in Lacs)</u> <u>31st March 2005</u>
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.

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)

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.



- 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.

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	—	—	—	—

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CEO's Certification

A certificate duly signed by the Managing Director relating to Financial Statements and Internal Controls and Internal Control Systems for financial reporting as per the format provided in amended clause 49 of the Listing Agreement was placed before the Board, who took the same on record

Details of General Meetings:

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

Year	Location	AGMEGM	Date	Day	Time	No. of Special Resolutions passed
2002-2003	Somany Conference Hall 15B, Hemanta Basu Sarani 2nd Floor, Kolkata - 700001	AGM	20th September 2003	Saturday	3 30 p m	Nil
2003-2004	As above	AGM	25th September 2004	Saturday	3 30 p m	Nil
2004-2005	As above	AGM	24th September 2005	Saturday	3 30 p m	Nil

Disclosures/ Related Party Transactions :

- I 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 2005-2006 that are prejudicial to the interest of the Company
- II All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same
- III Risk assessment and its minimisation procedures have been laid down by the Company and the same have been informed to Board Members These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework
- IV Management Discussion and Analysis forms part of the Annual Report to the shareholders and its includes discussion on matters as required under the provision of clause 49 of the Listing Agreement with Stock Exchange
- V There were no material financial & commercial transactions by Senior Management as defined in Clause 49 of the listing agreement where they have personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors 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 :

85 6768 % Of the Company's share capital has been dematerialised as on 31 03 2006

Distribution of Shareholding as on 31st March, 2006

Category	No. Of Shareholders	Percentage	No. of Shares	Percentage
1-500	1897	75.2778	375054	7 5126
501-1000	239	9 4841	207282	4 1520
1001-2000	119	4 7222	190799	3 8219
2001-3000	75	2 9762	194099	3 8880
3001-4000	44	1 7460	162451	3 2540
4001-5000	28	1 1111	130767	2 6194
5001-10000	33	1 3095	251633	5 0404
Above 10000	85	3 3730	3480215	69 7117
Total	2520	100 0000	4992300	100.0000

Categories of Shareholders as on 31st March, 2006

Category	No. of Shareholdings	Voting Strength (%)	No. of Ordinary Shares
Promoters	1361700	27 2760	1361700
Institutional Investors	Nil	Nil	Nil
Private Corporate Bodies	1320551	26 4518	1320551
Indian Public	2302718	46 1254	2302718
NRI's / OCB's	7331	0.1468	7331

Market Price Data :

	Calcutta Stock Exchange (In Rs.)		Bombay Stock Exchange (In Rs.)	
	High	Low	High	Low
April-2005	—	—	14 57	10 46
May-2005	—	—	25 44	10.98
June-2005	—	—	25 80	18 50
July-2005	—	—	20 70	17 85
August-2005	—	—	21 35	18 50
September-2005	—	—	20 20	14 70
October-2005	—	—	14 28	09 27
November-2005	—	—	13 14	10 13
December-2005	—	—	12 00	08.93
January-2006	—	—	12 00	09 37
February-2006	—	—	13 12	11 08
March-2006	—	—	11 98	08 22



General Shareholder information:

Address of Regd Office: Inter State Oil Carrier Limited
113, Park Street Poddar Point
South Wing, 5th Floor
Kolkata - 700 016

Share Registrar and Transfer Agents :

Maheshwari Datamatics Pvt Ltd	Tel	22482248
6, Mangoe Lane	Fax	22484787
Kolkata - 700 001	E-mail	mdpl@cal vsnl net in
	Business Hours	10 00 - 3 30 P M (Monday to Friday)

Share Transfer System Share Transfer in physical form can be lodged with Maheshwari Datamatics Pvt Ltd at the above mentioned address

The transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respects

Means of Communication :

- ❖ The quarterly results are published in the leading English Daily (Financial Express / Economic Times) and Bengali Newspaper (Dainik Lipi)
- ❖ Management, Discussion and Analysis is a part of the Annual Report

Compliance Officer:

Mr Sanjay Jain
(Managing Director)
Inter State Oil Carrier Limited
113, Park Street Poddar Point
South Wing, 5th Floor, Kolkata - 700 016

Annual General Meeting :

Date and Time 23rd September, 2006 at 3 30 P M
Venue Somany Conference Hall
15B Hemanta Basu Sarani
Kolkata - 700 001

Financial Calender Year ending - March 31

Date of Book Closure 18th September, 2006 - 23rd September, 2006
(Both days inclusive)

Dividend payment date Not Applicable

Listing on Stock Exchanges The Company's securities are listed on the following 3 Stock Exchanges

The Calcutta Stock Exchange

7 Lyons Range
Kolkata - 700 001

The Stock Exchange Ahmedabad

Kamdenu Complex
Opp Sahajanand College
Panjarapole
Ahmedabad - 380 015

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400 001

The company has paid the Annual Listing fees of the above Stock Exchanges for the financial year 2006-2007

Stock Code	:	The Calcutta Stock Exchange	19050
		The Stock Exchange, Mumbai	30259
		The Stock Exchange, Ahmedabad	26734

Demat ISIN in NSDL and CDSL for Equity Shares INE003B01014

**Declaration by CEO pursuant to Clause 49 (C) of the Listing Agreement with Stock Exchange(s)**

To
The Members of
Inter State Oil Carrier Limited

In compliance with the requirements of clause 49(D) of the Listing Agreement with the Stock Exchanges relating to Corporate Governance, I confirm that, on the basis of confirmations / declaration received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct framed by the company

Place Kolkata

Date 14th day of August 2006

For Inter State Oil Carrier Ltd

Sanjay Jain
(Managing Director)

AUDITORS CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by Inter State Oil Carrier Ltd , for the year ended March 31, 2006, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Investors' / Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place Kolkata

Date 14th day of August 2006

For PATNI & CO
CHARTERED ACCOUNTANTS

S SUREKA
(Partner)



Annexure - B

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

Inter State Oil Carrier Limited is a leading player in Transport Industry in India. The Company operates a total of 24 numbers of fleets through out India. Further the company also operates 50 numbers of fleets on rental basis. The company has its camp offices at Chennai, Cochin, Guwahati, Bongaigaon, Namrup, Haldia from where loading and unloading takes place.

OPERATIONAL REVIEW

The Company clocked a turnover of Rs. 632.13 lakhs as against turnover of Rs. 889.92 lakhs in the previous year. Profit on sale of investment has jumped to Rs. 130.98 lakhs from Rs. 53.71 lakhs in the previous year. It is 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.

OPPORTUNITIES AND THREATS

The Central Government emphasis on infrastructure development particularly roads will have a far-reaching positive impact on the transport sector. Better roads will reduce the overall operational cost of transport companies and your company will not be any exception. However continuous increase in petrol / diesel prices will adversely impact the bottom line of your company.

OUTLOOK FOR INTER STATE OIL CARRIER LIMITED

The country's GDP growth will be in the region of 8% for the year 2006-2007 due to overall boom in the Indian Economy. It is expected that movement of goods through roads will increase substantially and consequently your company will benefit there from in terms of higher turnover and higher profit.

ADEQUACY OF INTERNAL CONTROL

The Company has proper, strong, independent and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from un-authorized use or disposition, and that transaction are authorized, recorded and reported correctly.

The internal control system is supplemented by an extensive program of internal audits, review by management of documented policies, guidelines and procedures.

Your Directors are of the firm view that the company's internal control system is efficient and effective and is designed to ensure that the financial and other records are reliable for preparing financial statements and other Data and for maintaining accountability of asset.

HUMAN RESOURCE DEVELOPMENT

Your company has an inbuilt system of developing and nourishing the potential of its staff at all levels. Some time outside agencies are also engaged to review the performance of the member of the staff and suggest measure for effective growth of the staff's quality of work.

CAUTIONARY STATEMENT

Statement in the management discussion and analysis report including the future expectation or prediction and the company growth potential may be forward looking statements within the meaning of Applicable securities clause and regulations.

Forward Looking Statements are based on certain assumption and expectation of future events. The company can guarantee that these assumptions and expectations are accurate or will be realized by the company. Actual results could differ materially from those expressed or implied. Important factor that would make difference to the company's operation include the health of Indian Economy and its effect on transport sector.

The company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information's or events.

**AUDITORS REPORT**

TO
THE MEMBERS OF
INTER STATE OIL CARRIER LTD

- 1 We have audited the attached Balance Sheet of M/s Inter State Oil Carrier Ltd as at 31st March, 2006 and also the annexed Profit & Loss Account of the company for the year ended on that date annexed thereto. These financial statements are responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence to support the financial statement, amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used in the preparation of financial statements, assessing significant estimates made by Management in the preparation of financial statements and evaluating overall financial statements preparation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in term of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph (3) above we report that -

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law, have been kept by the company so far as appears from our examination of the books.
- c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
- d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standard referred to in sub-section 3(C) of section 211 of Companies Act, 1956.
- e) On the basis of written representations received from the directors, as on March 31, 2006 and taken on record by the Board of Directors, we report that none of the director is disqualified as on March 31, 2006 from being appointed as a director in terms of section 274(1) (g) of Companies Act 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us and subject to notes given there on, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view -

- a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2006

And

- b) In the case of the Profit & Loss Account, of the Profit of the company for the year ended on that date

And

- c) In the case of Cash Flow Statements of the Cash Flow for the year ended on that date

9, India Exchange Place
Kolkata - 700 001

For P A T N I & C O
CHARTERD ACCOUNTANTS

Dated The 14th day of August, 2006

S SUREKA
(Partner)
Membership No 57918

**ANNEXURE TO THE AUDITORS' REPORT**

In term of the information and explanations given to us and books of account examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under :-

- i) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. These fixed assets were physically verified by the management during the year. We have been informed that no discrepancies were noticed on such physical verification. Substantial part of fixed assets has not been disposed of during the year, which will affect its status as going concern.
- ii) Physical verification of inventories has been conducted by the management during the year at reasonable intervals. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory. **As informed to us, no discrepancies found on physical verification of inventories as compared to book records were recorded in the books of accounts.**
- iii) A) The company had granted unsecured loan to 2 parties covered in the register required to be maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 24,43,473/-
In our opinion, the rate of interest and other terms and conditions of loan given by the company to companies, firms or other parties listed in the register required to be maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company. The parties to whom loan have been given are regular in payment of interest. There are no specific stipulations with regard to repayment of loans. As there is no stipulation with regard to repayment of loan, so we are unable to make any comment whether any outstanding amount is overdue or not.
B) The company had not taken any loan, secured or unsecured from any party covered in the register maintained u/s 301 of the Companies Act, 1956. Hence question of reporting whether the terms and conditions of loan taken are prejudicial to the interest of the company does not arise.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- v) According to the information and explanations given to us, in our opinion that there were no contracts or arrangements during the year that need to be entered in the register required to be maintained u/s 301 of the Companies Act, 1956.
- vi) According to information and explanations given to us, the company has not accepted any deposits from the public upto 31.03.2006.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) The company is not engaged in production, processing, manufacturing or mining activities. Hence, the provisions of section 209(1) (d) do not apply to the company. Hence, no comment on maintenance of cost records u/s 209(1) (d) is required.
- ix) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty & Cess and any other

contd.....



statutory dues with appropriate authorities applicable to it. According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty, excise duty and cess were outstanding as at the last date of the accounting year for a period of more than six months from the date they became payable. According to records of the company, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.

- x) The company has no accumulated losses. The company has not incurred cash losses in the financial year under report and in the financial year immediately preceding financial year.
- xi) The company has not defaulted in repayment of dues to financial institution or banks.
- xii) As informed to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- xiii) The company is not a chit fund, nidhi or mutual benefit fund / society.
- xiv) The company has maintained proper records of the transactions and contracts of dealing in shares, securities, debentures and other investment and we have been informed that timely entries have been made therein. As explained to us, all the shares have been held by the company in its own name except to the extent of exemption granted u/s 49 of Companies Act, 1956.
- xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The company has not taken any term loans. Hence comments under the clause are not called for.
- xvii) According to the information and explanations given to us, we report that no funds raised on short-term basis have been used for long term investment by the company.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register required to be maintained under section 301 of the Act.
- xix) The company has not issued any debenture.
- xx) The company has not raised any money by public issues during the period covered by our audit report.
- xxi) During the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.

9, India Exchange Place
Kolkata - 700 001

For PATNI & CO
CHARTERD ACCOUNTANTS

Dated The 14th day of August, 2006

S. SUREKA
(Partner)
Membership No. 57918



Balance Sheet As At 31.03.2006

	SCHEDULE	Rs	As at 31.03.2006 Rs	Rs	As at 31.03.2005 Rs
I SOURCES OF FUNDS :					
SHAREHOLDER'S FUND					
Share Capital	A	49923000		49923000	
Reserve & Surplus	B	35810872	85733872	22675697	72598697
LOAN FUNDS					
Secured Loans	C	58329781		17608768	
Unsecured Loans	D	18356082	76685863	17523546	35132314
Deferred Tax Liability (Net)			5400737		2628619
			167820472		110359630
II APPLICATION OF FUNDS :					
FIXED ASSETS					
Gross Block	E	93234887		38691505	
Less Accumulated Depreciation		22023945		13638589	
Net Block			71210942		25052916
INVESTMENTS					
CURRENT ASSETS, LOANS AND ADVANCES	F		64298265		53054910
Inventories		3277313		8744701	
Sundry Debtors	G	23412481		9276162	
Cash & Bank Balances	H	3391603		3768210	
Loans & Advances	I	5590026		13434687	
	{I}	35671423		35223760	
Less CURRENT LIABILITIES & PROVISION					
Current Liabilities	J	1659483		1725852	
Provisions	K	1700675		1246104	
	{II}	3360158		2971956	
NET CURRENT ASSETS	{I-II}		32311265		32251804
			167820472		110359630

ACCOUNTING POLICIES & NOTES
ON THE ACCOUNTS
Schedule A to K and Q referred to above
form an integral part of Balance Sheet

Q

As per our report of even date attached
For PATNI & CO
Chartered Accountants

For & on Behalf of the Board

S Sureka
Partner
Place Kolkata
Dated 14th day of August, 2006

SHANTI LAL JAIN
Chairman

SANJAY JAIN
Managing Director

JITENDRA TIWARI
Company Secretary



Profit & Loss Account For The Year Ended 31.03.2006

		For the year ended 31.03.2006 Rs	For the year ended 31.03.2005 Rs
A INCOME	SCHEDULE		
Sales		8762385	49816436
Operating Incomes	L	54450675	39176842
Profit on Sale of Investment		13018118	5111203
Profit on Sale of Fixed Assed		79630	258991
Share Speculation Profit		99773	
Other Income	M	1674104	2522775
	(I)	78084685	96886247
B EXPENDITURE			
Purchases			35142532
Decrease in Stock	N	5467388	11783096
Operating Expenses	O	39973522	32024290
Administrative & Other Expenses	P	5477065	4023034
Share Speculation Loss			649330
Depreciation	E	9901167	3691344
Miscellaneous Expenditure W/O			323969
	(II)	60819143	87637595
Profit Before lease equalisation reserve & tax(I-II)		17265542	9248652
Less Lease Equalisation Reserve			3153
Provision for N P A		45571	36104
PROFIT BEFORE TAX		17219971	9209395
Less Provision for Taxation		1000000	500000
Provision for F B T		119000	
Securities Trans Tax		199344	84670
Deferred Tax Liability		2772118	824034
Add Income Tax Adjusted of Previous Year		5666	(395420)
PROFIT AFTER TAX		13135175	7405271
Surplus Available before Appropriation		13135175	7405271
Appropriations			
Transferred to Statutory Reserve		2630000	1750000
Surplus Available after Appropriation		10505175	5655271
Balance Brought forward		17739720	12084449
Surplus Carried Forward		28244895	17739720
Basic/Diluted Earning Per Share		2.63	1.73

ACCOUNTING POLICIES & NOTES ON THE ACCOUNT

Schedule E & L to Q referred to above form
an integral part of the Profit & Loss Account
As per our report of even date attached
For PATNI & CO
Chartered Accountants

Q

For & on Behalf of the Board

SHANTI LAL JAIN
Chairman

SANJAY JAIN
Managing Director

S Sureka
Partner
Place Kolkata
Dated 14th day of August, 2006

JITENDRA TIWARI
Company Secretary



**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS
ON 31ST MARCH, 2006 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	Rs	As at 31.03.2006 Rs	Rs	As at 31.03.2005 Rs
SCHEDULE A : SHARE CAPITAL				
AUTHORISED				
5300000 Equity Shares of Rs 10 each		<u>53000000</u>		<u>53000000</u>
ISSUED & SUBSCRIBED				
5000000 Equity Shares of Rs 10 each		<u>50000000</u>		<u>50000000</u>
PAID-UP				
4992300 Equity Shares of Rs 10 each fully paid up.		<u>49923000</u>		<u>49923000</u>
		<u>49923000</u>		<u>49923000</u>
SCHEDULE B : RESERVES & SURPLUS				
Statutory Reserve	4900000		3150000	
Add: Transferred from Profit & Loss Account	<u>2630000</u>	7530000	<u>1750000</u>	4900000
Capital Reserve (On Forfeiture of Shares)		35977		35977
Profit & Loss Account b/f	17739720		12084449	
Add :Profit for the year	<u>10505175</u>	28244895	<u>5655271</u>	17739720
		<u>35810872</u>		<u>22675697</u>
SCHEDULE C : SECURED LOANS				
Loan from ICICI Bank Ltd.		42697479		2551026
Loan from G.E. Capital		2201729		3510064
Loan from Citi Bank		5688462		8610061
(Secured by Hypothecation of Hire Purchase of Vehicles & Machines)				
Loan against Pledge of Shares		7742111		2937617
		<u>58329781</u>		<u>17608768</u>
SCHEDULE D : UNSECURED LOANS				
Loan from Bodies Corporates		<u>18356082</u>		<u>17523546</u>
		<u>18356082</u>		<u>17523546</u>

SCHEDULE E : FIXED ASSETS

Particulars	GROSS BOLCK				GROSS BOLCK				NET BLOCK	
	As at 31.03.05	Additions	Sales/ Adjustments	As at 31.03.06	As at 31.03.05	For the year	Adjust ments	As at 31.03.06	As at 31.03.06	As at 31.03.05
Car	952208	1310724	467553	1795379	242472	142514	150412	234574	1560805	709736
Plant & Machinery	1037843	30875	—	1068718	652385	30685	—	683070	385648	385458
Office Premises	2927070	—	—	2927070	436540	47711	—	484251	2442819	2490530
Machines	4577208	22064963	—	26642171	237262	2553646	—	2790908	23851263	4339946
Dumpers	5595368	26722188	—	32317556	43848	3168453	—	3212301	29105255	5551520
Trucks / Tankers	22082150	6210825	1396476	26896499	11280065	3857979	1363695	13774349	13122150	10802085
Furniture & Fixtures	1519658	124950	57114	1587494	746017	100179	1704	844492	743002	773641
TOTAL	38691505	56464525	1921143	93234887	13638589	9901167	1515811	22023945	71210942	25052916
Previous Year	24650718	16741862	2701075	38691505	12009233	3691344	2061988	13638589	25052916	12641485

SCHEDULE F : INVESTMENTS (Non Trade) (Taken at Cost)

Shares(Quoted)	Nos. As at 31.3.2006	Rs As at 31.3.2006	Nos. As at 31.3.2005	Rs As at 31.3.2005
3I INFOTECH LTD	2000	354421	—	—
ABHISHEK INDUSTRIES	4792	157235	8792	311685
ADANI EXPORTS LTD	—	—	1000	83420
ADLABS FILMS LTD	—	—	500	65425
ALOK INDUSTRIES	—	—	12000	806855
ADITYA BIRLA NUV	600	311628	—	—
AFT IND (APEEJAY)	8118	992959	—	—
AJANTA PHARMA	3000	298020	—	—
ALLAHABAD BANK	1000	93142	—	—
AMTEK AUTO LTD	—	—	5000	818218
AMTEK INDIA LTD	13100	1147740	—	—
AMTREX APPL (HITACHI)	1000	91903	—	—
ANDHRA PAPER	3550	354619	—	—
ANDHRA SUGARS	4000	579025	6000	883813
ANDREW YULE	2000	58300	—	—
ANSAL HOUSING LTD	—	—	2000	101132
APOLLO HOSPITAL	400	218106	—	—
ARROW COATED	2560	228733	—	—
ARVIND INTL LTD	200	600	—	—
ARVIND MILLS	—	—	2500	289995
ASCENT EXIM LTD	—	—	4000	105650
ASIAN ELECTRON	2100	738202	—	—
ASSAM COMPANY	2000	54480	—	—
AVAYAGCL LTD	—	—	300	118589
AZTEC SOFTWARE	1700	311150	—	—
BAID MERCANTILE	75000	792500	75000	792500
BAJAJ HINDUSTAN	2300	378822	10500	1563893
BALAJI TELEFILMS LTD	—	—	2000	239345
BALRAMPUR CHINI	7700	1000036	—	—
BANK OF INDIA	2700	119234	4500	204640
BANK OF MAHARSHTRA	8902	301522	—	—
BANK OF RAJASTHAN	2000	128500	5000	301254
BHARAT FORGE	200	78168	200	282506
BHARAT GEARS	—	—	2000	152760
BERGER PAINTS	—	—	2000	87029
BIOCON	900	406149	300	142344
BOMBAY BURMA LTD	—	—	1000	185984
BOMBAY DYING	—	—	500	173486
BONGAIGAON REFINERY	—	—	500	45675
BSEL INFORMATION SYSTEM	2000	102210	—	—
CADILA HEALTH	500	281678	300	177155
CASTROL	1000	270850	—	—
CEAT LIMITED	4000	356980	—	—
CELEBRITY FASHION	500	114518	—	—
CENTURY ENKA	300	81059	—	—
CENTURY TEXTILES	1200	302466	1200	259483
COLGATE	700	256501	—	—
COLOUR-CHEM	1100	324672	—	—
CONSOLIDATED FINANCIAL & HOUS	—	—	1520	109993

INTER STATE OIL CARRIER LIMITED

Shares(Quoted)	Nos. As at 31.3.2006	Rs As at 31.3.2006	Nos As at 31.3.2005	Rs As at 31.3.2005
CONT FISCAL MGM	7000	1702750	7000	1702750
CREST ANIMATION	600	107978	—	—
CREW B O S PROD	500	96961	—	—
CUMMINS INDIA	6000	904576	—	—
CYBERSCAPE	—	—	1000	69040
DABUR INDIA	—	—	2000	194830
DABUR PHARMA	—	—	2600	98500
DCW LIMITED	—	—	8000	335554
DCM SHRIRAM IND	5000	691874	—	—
DEEPAK FERTILISERS	700	63770	—	—
DENA BANK	4000	136978	—	—
DEWAN HOUSING	4000	284667	—	—
DHAMPUR SUGAR	900	216719	—	—
DR REDDY LAB	115	105353	—	—
DWARIKESH SUGAR	900	210991	—	—
EDUCOMP SOLUTION	1000	295175	—	—
EICHER LIMITED	1200	242901	900	187608
EICHER MOTORS	400	134068	700	246519
EI HOTEL	500	286662	—	—
ELECTRO STEEL	190	88641	—	—
EMPEE SUGARS	1000	24120	—	—
ERA CONST (I)	1500	416216	—	—
ESCORTS INDIA LTD	3000	297178	3500	314748
EVEREDY INDUSTRY	—	—	1000	83060
FAIR FIELD ATLAS LTD	—	—	4000	236323
FCGL INDUSTRIES	4500	397785	—	—
FDC LIMITED	3500	204925	4000	234187
FEDERAL BANK	500	99879	—	—
FINOLEX PIPES	5000	415348	—	—
FLEX INDUSTRIES	1000	106847	—	—
GAIL	2300	435937	3164	612294
GATEWAY DISTRIIPRAKASH LTD	1800	513198	—	—
GAUTAM RESOURCE LTD	—	—	—	—
GAYATRI SUGARS	4000	100880	—	—
GHCL LIMITED	3800	422895	—	—
GILLETTE INDIA LTD	—	—	200	136130
GLENMARK PHARMACY	—	—	300	93306
GODAVARI FERTILISER	1300	107878	1000	67170
GOODYEAR INDUSTRIES LTD	—	—	4000	330340
GOETZE INDIA	300	71487	—	—
GTL	400	44724	—	—
GUJARAT HEAVY CHEMICAL LTD	—	—	1000	42572
GUFIC BIOSCIEN	4000	159454	—	—
GUJ NRE COKE	42000	1135792	70635	1028833
GUJARAT STATE FERTILISER LTD	—	—	1000	128108
HARRISONS MALAYALAM	1500	248508	—	—
HDFC BANK LTD	1000	39050	1000	39046
HEG LTD	—	—	1500	177560
HERO HONDA	100	76159	—	—

INTER STATE OIL CARRIER LIMITED


Shares(Quoted)	Nos. As at 31.3.2006	Rs As at 31.3.2006	Nos. As at 31.3.2005	Rs As at 31.3.2005
HIMACHAL FUTURISTIC LTD	—	—	5700	289029
HIND OIL EXPLN	1300	215617	—	—
HINDALCO	3600	524054	—	—
HINDALCO	1125	27000	—	—
HINDUSTAN CONST	1300	218662	300	150127
HINDUSTAN MOTOR LTD	—	—	5000	158850
HINDUSTAN PETROIEUM LTD	—	—	—	—
HT MEDIA LIMITED	300	176147	—	—
HYDERBAD INDUSTRIES	200	115274	—	—
I-FLEX SOL LTD	200	215044	—	—
IDBI LTD	3500	384154	—	—
IDFC LTD	1600	109560	—	—
IFCI LTD	—	—	26000	483547
IGATE GLOBLE	—	—	500	137344
INDIAN OIL CORPORATION LTD	—	—	500	245706
IND RESORT HOTEL	1200	398930	—	—
INDIAN CEMENT LTD	—	—	11500	488428
IND-SWIFT LAB	800	140773	—	—
INDIAN OVERSEAS BANK	1000	121835	—	—
INDIAN PETROCHEM	1700	393329	500	90125
INDIAN RAYON LTD	—	—	500	143962
INDO RAMA SYNTHETIC LTD	—	—	4500	328248
INDRAPRASTHA GAS	6400	678236	8500	845083
INDRAPRASHTH MED	3000	152426	—	—
INDUSIND BANK	7200	481171	3000	187125
ING VYSYA BANK	2100	367414	400	235523
INGEGSOLL RAND IND LTD	—	—	200	63918
IVRCL INFRASTRUCTURE LTD	—	—	400	191769
INT. TRVL HOUSE	1500	288840	—	—
IT & T LTD	20956	749060	—	—
JAIN STUDIOS LTD	—	—	4000	133354
JAIPRAKASH ASSOCIATION	900	406013	—	—
JAIPRAKASH HYDRO	1000	29900	—	—
JAY SHREE TEA	1000	219330	—	—
JAYPEE HOTELS	5800	394586	—	—
J.B. CHEMICALS LTD	—	—	1000	465798
JBF INDUSTRIES	2500	209305	—	—
JINDAL DRILING LTD.	—	—	500	79845
JINDAL PHOTO LTD.	—	—	480	34877
JINDAL STEEL & POWER LTD.	—	—	100	91355
JK PAPER LTD	1500	99945	—	—
JOYTI STRUCTURE LTD.	—	—	1000	172330
KALPATORU POWER LTD.	—	—	200	87119
KARUR VYSYA BANK LTD.	—	—	300	143509
KAVERI TELECOMS	2500	324290	—	—
KCP SUGAR LTD.	—	—	3500	779501
KIRLOSKAR OIL ENGINEERING LTD	—	—	200	85403
KOCHI REFINERY	500	103890	500	103890
KOPRAN LTD	—	—	1000	66680
KOTHARI SUGARS	5000	182215	—	—
LARSEN & TOUBRO	550	146619	550	146619
LLOYD ELEC EN	1000	167303	—	—

INTER STATE OIL CARRIER LIMITED


Shares(Quoted)	Nos. As at 31.3.2006	Rs As at 31.3.2006	Nos. As at 31.3.2005	Rs As at 31.3.2005
LG BALAKRISHNAN	—	—	7500	222467
M AND M	1500	304447	500	46542
M P INVESTMENT	8050	209461	8050	209461
MAHA. SEAMLESS	100	54974	—	—
MAHARASHTRA BANK	—	—	11402	379504
MAHARASHTRA SCOOTER LTD	—	—	600	139898
MAHAVIR SHIPPING	—	—	500	153254
MAHINDRA UGINE	—	—	2000	174060
MAN INDUSTRIES	—	—	1000	139189
MANGALORE CHEMICAL	20000	353395	—	—
MARICO INDUSTRIES	—	—	500	124633
MARKSANS PHARMA (TASC)	700	203375	—	—
MAWANA SUGARS	1000	121089	—	—
MCDOWELL NEW	1900	287590	4400	479700
MCLEOD RUSSEL IN	7500	757698	—	—
MPHASIS BFL LTD.	—	—	900	231251
MRPL	3000	179600	3000	179600
MUKUND LTD	—	—	4500	363588
MUNJAL SHAW LTD	—	—	300	64665
MYSORE CEMENTS	6000	205213	5000	132110
NAGARJUNA CONST	500	155911	—	—
NAGARJUNA FERTILISER LTD	—	—	9000	101580
NAHAR SPINNING LTD	—	—	400	79596
NATCO PHARMA ROLLS	—	—	2000	285963
NAVA BHARAT FERRO LTD	—	—	300	120898
NIRMA LTD	—	—	300	109866
NOIDA TOLL	1000	36830	—	—
NTPC LTD	—	—	3000	250833
NUCLEUS SOFT	200	81726	—	—
OCL INDIA	900	150714	—	—
ONGC	379	284250	379	284250
OPTO CIRCUITS	1000	284315	—	—
ORCHID CHEMICAL	2250	520994	1500	525190
ORIENT INF TECH	1000	45630	—	—
ODDH SUGAR MILL	3612	431300	2000	342366
PENTAMEDIA GRAPHICS LTD	—	—	8200	184920
PETRONET LNG LIMITED	8500	223539	11000	284910
PIRAMYD RETAIL LIMITED	500	117654	—	—
POLARIS SOFTWARE	300	32503	—	—
POLYPLEX CORPORATION LTD	—	—	200	45521
POONAM PHARMA LTD	13000	3279250	13000	3279250
POONI SUGAR LTD	—	—	8000	335689
PRAJ INDUSTRIES	6500	715009	—	—
PRISM CEMENT	9000	233175	—	—
POWER TRADING CO. INDIA	6000	308608	1000	52860
PUDAMJEE PULP	—	—	950	60171
PUNJAB ALKALI LTD.	—	—	4900	231293
PUNJAB LLOYD LIMITED	200	220683	—	—
RAJSHREE SUGARS	10500	904644	3000	171540
RANA SUGAR LTD.	1500	71860	—	—
RAMCO SYSTEM	—	—	500	231792
RASANDIK ENGINEERING	500	150625	—	—

Shares(Quoted)	Nos. As at 31.3.2006	Rs As at 31.3.2006	Nos. As at 31.3.2005	Rs As at 31.3.2005
RAYMOND LTD	—	—	600	194076
ROHAN FINANCE	20000	4304400	20000	4304400
SAI TELEVISIONS	6000	37540	6000	37536
SAIL	6000	364660	—	—
SAKTHI SUGARS	6400	712322	3000	165944
SANDESH	1000	242381	—	—
SASKEN COMM TECH	500	200357	—	—
SATHVAHANA ISPAT LTD	—	—	1000	51530
SATNAM OVERSEAS	4000	389343	1000	119345
SCANDENT SOLUTION	700	152161	—	—
SESA GOA LTD	—	—	900	579353
SHREYAS SHIP	2200	261950	—	—
SHRINGAR CINEMAS	4500	342804	—	—
SHIMBHOLI SUGAR	2700	296964	—	—
SHREE CEMENTS LTD	—	—	500	144541
SILVERLINE TECHNOLOGIES LTD	—	—	14550	672725
SIMPLEX CONCRETE LTD	—	—	700	277842
SOLE ELECTRIC	1000	293565	—	—
SOUTH ASIAN PET	2000	35120	—	—
SOUTH EAST ASIAN LTD	—	—	1500	107790
SOUTH INDIAN BANK	8500	466685	9000	491699
SOUTH IRON & STEEL LTD	—	—	2000	62700
SRF LIMITED	700	152166	1000	95730
STAR PAPER MILL	—	—	3000	163474
SUNDARAM FASTENER LTD	—	—	1000	120000
SURYALAKSHMI COTTON MILLS LTD	—	—	1000	181275
SURAT TEXTILES	10000	119676	—	—
SUZLON ENERGY LTD	500	457584	—	—
SYNDICATE BANK	1000	71660	—	—
TATA COFFEE	1000	329089	—	—
TATA FINANCE LTD	—	—	2000	105730
TATA INVESTMENT LTD	—	—	1000	321603
TATA POWER	5000	1659334	6000	2023908
TATA STEEL LTD	16250	938247	19050	1639284
TATA TEA	6535	1877762	7535	2174299
TATA TELESERVE	18000	429410	7000	181994
TEXMACO LTD	—	—	500	133688
TRENT LTD	—	—	100	70149
TORRENT POWER	—	—	2000	301917
TV TODAY NETWORK	800	83315	1000	106825
UCO BANK	12000	388560	12000	388540
UGAR SUGAR	17600	388963	—	—
ULTRA TECH CEMENT	—	—	734	241454
UNICHEM LAB	—	—	200	41495
USHA MARTIN	500	108469	3000	271453
UTI BANK	—	—	500	131978
UTTAM STEEL	4000	205775	1000	64470
VALECHA ENGINEERING	500	171439	—	—
VARDHMAN ACRYLIC LTD	—	—	5000	79150
VARDHMAN SPC & GE LTD	—	—	1000	280709
VARUN SHIPPING	2000	153799	—	—

INTER STATE OIL CARRIER LIMITED



Shares(Quoted)

	Nos. As at 31.3.2006	Rs As at 31.3.2006	Nos. As at 31.3.2005	Rs As at 31.3.2005
VICEROY HOTELS	1000	114570	—	—
VISUAL SOFT	1300	312185	1000	126905
VST INDUSTRIES LTD	—	—	800	209500
VYAPAR INDUSTRIES	2000	216888	—	—
WANBURY (PEARL ORG)	1000	151770	—	—
WARREN TEA	3322	312154	—	—
WEST COAST PAPER LTD	—	—	300	59391
WILLIAMSON TEA	2200	730730	500	71727
WINDSOR MACH	6000	162320	—	—
WOCKHARDT	300	155664	—	—
ZENSAR TECH	1000	215048	—	—
Total A	654956	59148265	606691	47904910
Aggregate Market Value of Quoted Shares		78340368		59828747

Shares(Un-Quoted)

Aparna Poly Products Ltd	95000	950000	95000	950000
Fast Projects Ltd	200000	2000000	200000	2000000
Kaizen Organics Pvt. Ltd	12000	1200000	12000	1200000
Kirtivardhan Finvest Services Ltd	100	0	100	0
Vedika Corporate Services Pvt. Ltd	100000	1000000	100000	1000000
Total B	407100	5150000	407100	5150000
Grand Total A+B	1062056	64298265	1013791	53054910

	Rs	As at 31.03.2006 Rs	Rs	As at 31.03.2005 Rs
--	----	---------------------------	----	---------------------------

SCHEDULE G : SUNDRY DEBTORS

Over six month

Unsecured & Considered goods **589443**

Considered doubtfull **455711**

Other Debts

1045154	948514
22367327	8327648
23412481	9276162
23412481	9276162

SCHEDULE H : CASH & BANK BALANCES

Cash in Hand (as certified by the management)

285331 **386545**

Balances with Scheduled Bank

in current Account

2637012 **2934673**

in Fixed Deposit Account

402190 **402190**

(Refer Note No. 12 Of Schedule Q)

Accrued Interest thereon

67070 **44802**
3391603 **3768210**

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	Rs	For the year ended 31.03.2006 Rs	Rs	For the year ended 31.03.2005 Rs
SCHEDULE N : INCREASE/DECREASE IN STOCK				
Closing Stock		3277313		8744701
Less: Opening Stock		8744701		20527797
		<u>(5467388)</u>		<u>(11783096)</u>
SCHEDULE O : OPERATING EXPENSES				
Freight Paid		11604730		16120120
Insurance		58773		299041
Operating Expenses		23702242		13543933
Other Expenses		78107		158233
Intérest Paid		1907469		1309652
Demat Expenses		28824		23031
Discount Allowed		5874		-----
Hire Purchase Charges		2426031		407079
Stamp Duty		41540		15917
Service Tax & Transaction Charges		119932		147284
		<u>39973522</u>		<u>32024290</u>
SCHEDULE P : ADMINISTRATIVE & OTHER EXP.				
Auditor's Remuneration :				
Statutory Audit Fees		22448		22040
Tax Audit Fees		5612		5510
In other capacity		3857		4882
Bank Charges		29492		12096
Car Expenses		502847		289751
Consultancy Fees		15710		10400
Rent, Rates & Taxes		184726		124726
Salary & Bonus		874156		645396
Share Dept. Expenses		32000		34432
Listing & Filing Fees		38316		33694
Telephone Expenses		260266		218226
Travelling & Conveyance		244998		193847
Printing & Stationery		118700		88833
Miscellaneous Expenditure		872054		416297
Directors' Remuneration		2236884		1922404
Donation		35000		500
		<u>5477066</u>		<u>4023034</u>

**SCHEDULE Q : ACCOUNTING POLICIES & NOTES ON THE ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES:****1. Basis of Preparation of Financial Statement :**

The Financial Statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Accounting Principal Generally Accepted in India (GAAP) and comply with the mandatory Accounting Standard (AS) issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956

2. Valuation of Inventories :

Stock in Trade All Stock shown in the Balance Sheet are shares & securities Quoted share are valued at cost or market price whichever is lower

3. Revenue Recognition:

- i) The Revenue Recognized for transport as and when the service has been rendered and for shares when transfer take place
- ii) Dividend Income is accounted for as and when received
- iii) Lease Income is recognised on the internal rate of return method over the primary period of the lease accounted for in accordance with the guidelines issued by the Institute of Chartered Accountants of India

4. Material Events :

Material events occurring after the Balance Sheet date are taken into cognizance

5. Prior Period Item :

Prior period expenses / income is accounted under the respective heads, material item if any, are disclosed separately by way on notes

6. Investments :

Investments of quoted shares are stated at cost less permanent diminution in value, if any and unquoted shares are stated at cost

7. Fixed Assets:

- i) Fixed assets are stated at cost of acquisition inclusive of all direct expenses related to such assets upto the date the assets is put to use
- ii) Depreciation is provided on pro-rata basis under Straight Line Method as per Schedule XIV of the Companies Act, 1956 The rate of depreciation of dumper and machines has been changed from 22% to 16 21% under straight line method with retrospective from Financial Year 2004-05 as per schedule XIV of the Companies Act, 1956

8. Foreign Exchange Transaction :

No Foreign Exchange earning or out go occurs during the year

9. Retirement Benefit

As informed to us, no employee has completed five years of service as on the balance sheet date, so provision of gratuity has not been made in the book

10. Provision for Taxation

Provision for current tax is made after taking into consideration benefit admissible under provisions of the Income Tax Act, 1961 Deferred tax resulting from timing difference between taxable profit is accounted for using the tax rate and law have been enacted or substantively enacted as on the balance sheet date The deferred tax assets is recognized and carry forward only to the extent that there is responsible certainty that the asset will be realized in future

11. Related Party disclosure :

Disclosure of transaction with related party as required by Accounting Standard 18 has been set out in a separate statement annexed to the Notes on Accounts Related party as define under clause 3 of Accounting Standard have been identified on the basis of representation made by key managerial personnel and information available with the company

B Notes On the Accounts:

- 1 The figures of the previous year has been re-grouped and re-arranged wherever found necessary
- 2 The company has followed prudential norms issued by the Reserve Bank of India for Non Banking Financial Companies 20% (approx) of profit after tax has been transferred to Reserve Fund as per section 45(1C) of the RBI Act, 1934
- 3 The balances of Debtors and Creditors are subject to confirmations by the respective parties
- 4 There is no outstanding amount payable to Small Scale Industries as on the balance sheet date
- 5 The deferred payment liabilities amounting Rs 2,49,29,980/- shown under secured loan in Balance Sheet represent installment of truck / machine purchased on hire purchase which is due within twelve months
- 7 Particulars in respect of Opening Stock, Purchases, Sales and Closing Stock are as follows

Particulars	QUANTITY 31.03.06	AMOUNT 31.03.06	QUANTITY 31 03 05	AMOUNT 31 03 05
Opening Stock Shares	281557	8744701	440772	20527797
Shares Purchases	14050	—	433999	35142532
Shares Sales	109407	8762385	593214	49816437
Closing Stock Shares	186200	3277313	281557	8744701

- 8 Compliance of Accounting Standards issued by the Institute of Chartered Accountants of India

8.1. Segment Reporting

The Company's operations predominantly consist of Transportation, Lease Finance, Share Dealings

S.No	Particulars	2005-2006 Amount (Rs. in lakhs)	2004-2005 Amount (Rs. in lakhs)
1	Segment Revenue (Sales/Income of each Segment)		
	i) Transportation (Tankers)	372 44	391 48
	ii) Transportation (Equipments)	173 31	---
	iii) Lease Finance	1 18	2 86
	iv) Share Dealings	230 69	562 32
	Total	777 62	956 66
	Less Inter Segment Revenue	Nil	Nil
	Net Sales/Income from Operations	777 62	956 66
2	Segment Results (Profit and Loss before Tax & Interest from each segment)		
	i) Transportation (Tankers)	48 61	54 70
	ii) Transportation (Equipments)	20 55	---
	iii) Lease Finance	1 18	2 79
	iv) Share Dealings	174 10	84 70
	Total	244 44	142 19
	Less Interest	19 07	13 10
	Other Unallocable	52 71	36 64
	Expenditure net of Unallocable income		
	Total Profit/Loss before Tax	172 66	92 45
3	Capital Employed (Segment Assets Less Segments Liabilities)		
	i) Transportation (Tankers)	139 14	136 70
	ii) Transportation (Equipments)	164 93	---
	iii) Lease Finance	10 79	15 05
	iv) Share Dealings	696 82	624 90
	Total	1011 68	776 65



8.2. Related Party disclosure

Information given in accordance with Accounting Standard 18

i) Related Party Relationship

a) Key Management Personnel

- | | |
|--------------------------------|-------------------------|
| 1. Shri Shanti Lal Jain | 2. Shri Sanjay Jain |
| 3. Shri Rikhab Chand Jain | 4. Shri Neeraj Jain |
| 5. Shri Shankar Lal Khandelwal | 6. Shri Bhag Chand Jain |

b) Corporate & Other Associates

1. Gulshan Carrying Corporation (Firm)
2. Inter State Oil Carrier
3. Inter State Capital Markets Pvt. Ltd.
4. Inter State Securities Pvt. Ltd.
5. Inter State Share Broking Pvt. Ltd.

c) Relatives of Key Management Personnel

- | | |
|--------------------------|---------------------|
| 1. Smt Gunmala Devi Jain | 2. Shri Rajesh Jain |
| 3. Shri Virendra Jain | |

ii) Transactions with related parties

Nature of Transactions	Firms	Key Management Personnel	Relatives of Key Management Personnel	Firms	Key Management Personnel	Relatives of Management
	31.03.2006			31.03.2005		
Garage Rent	—	—	72000	—	—	72000
Director Remuneration	—	2236884	—	—	1922404	—
Salary	—	—	186000	—	—	151133
Interest Received	160210	—	—	89227	—	—

8.3. Deferred Tax

In accordance to Accounting Standard (AS-22) "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. An amount of Rs. 2772118.00 has been provided as deferred tax liabilities for the year as follows:

	As on 31.03.2006	As on 31.03.2005
Unabsorbed Depreciation	(5417379.00)	(2650708.00)
Loss C/f	16642.00	22089.00
	(5400737.00)	(2628619.00)

9. MANAGERIAL REMUNERATION Under Section 198 of the Companies Act, 1956

NAME	DESIGNATION	31.03.06			31.03.05		
		BASIC	PERQUISITES	TOTAL	BASIC	PERQUISITES	TOTAL
Sri Shanti Lal Jain	Chairman	768000	41204	809204	672000	7512	679517
Sri Sanjay Jain	Managing Director	768000	178910	946910	672000	173100	845100
Sri Rikhab Chand Jain	Whole Time Director	396000	84770	480770	336000	61787	397787
		1932000	304884	2236884	1680000	242404	1922404

10. Details of Closing Stock of Shares has been given in Annexure I.

11. Information pursuant to part IV of Schedule VI to the Companies Act, 1956 has been given in Annexure II

12. Contingent Liability :

INTER STATE OIL CARRIER LIMITED



B.G. taken from	Sec. deposit	Amount	In favour of	Amount of B.G.
S.B. of Hyderabad	Fixed Deposit	100000.00	Balmer & Lawrie	100000.00
S.B. of Hyderabad	Fixed Deposit	90000.00	BPCL	90000.00
South Indian Bank	Fixed Deposit	150000.00	IOCL	150000.00
South Indian Bank	Fixed Deposit	62190.00	Sales Tax Dept.	62190.00

- 13) The company has pledged the following shares with ICICI Bank, Standard Chartered Bank and ABN Amro Bank towards loan against securities :-

Name of the Company		No. of Shares	Book Value Rs.
1.	Amtek India Ltd.	10000	876137
2.	Andhra Sugars	4000	579025
3.	Bajaj Hindusthan	2000	329410
4.	Biocon	1200	579477
5.	Colour Chem	1000	295156
6.	Cummins India	6000	904576
7.	Dr's Reddy Lab	500	450111
8.	Gall	2000	379075
9.	Glaxo Smith Pharma Ltd	1000	435440
10.	Gujarat NRE Coke Ltd.	36000	973536
11.	HDFC Bank Ltd.	1000	39050
12.	Hindalco Ltd.	5500	309019
13.	Mahindra & Mahindra	1000	202964
14.	ONGC	400	307882
15.	Orchid Chemical	2250	520994
16.	Petronet LNG Limited	7000	184090
17.	Power Trading Company	5000	257173
18.	Reliance Industries Ltd.	1000	283435
19.	Reliance Capital Ltd.	1000	4840
20.	Reliance Comm Venture Ltd.	1000	144320
21.	Reliance Energy Ltd.	1000	27220
22.	Reliance Natural Resources	1000	2610
23.	South Indian Bank	7000	384328
24.	Tata Power	4500	1493400
25.	TISCO	12500	721728
26.	Tata Tea	6000	1724035
		Book Value	12409031

- 14) Provision for NPA of Rs. 45571/- has been made @ 10% P.A. on Rs. 455711/- as per RBI Prudential Norm.
- 15) Computation of Earning per share are as follows : Profit for appropriation is Rs. 13135175/- , No. of Shares is 4992300 and EPS is Rs. 2.63.

As per our report of even date attached
For PATNI & CO.
CHARTERED ACCOUNTANTS

S. Sureka
Partner

Shanti Lal Jain
Chairman

Sanjay Jain
Managing
Director

For & on Behalf of the Board

Jitendra Tiwari
Company Secretary

Place : Kolkata

Dated : 14th day of August, 2006

**Annexure - I**

ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPH 3 OF PART-II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

INVENTORIES (cost or market price whichever is lower)

NAME OF THE COMPANY	31.03.2006		31.03.2005	
	QTY	AMOUNT(Rs.)	QTY	AMOUNT(Rs.)
A. QUOTED SHARES				
ARVIND INTERNATIONAL LTD	—	—	750	12450
BALMER & LAWRIE INVESTMENT LTD	—	—	100	—
BANK OF PUNJAB INDIA LTD	—	—	4000	100600
BHARATI TELE VENTURES LTD	—	—	300	30562
BHEL	300	174921	500	291534
BIOCON	300	133635	400	163040
CAUVERY SOFTWARE LTD	1000	1000	1000	1000
C.E.S.C. LTD (BOND)	—	—	80	7896
CIFCO FINANCE INDIA LTD	300	675	300	675
CINDRELLA FINANCIAL SERVICES LTD	—	—	6000	18000
CITY UNION BANK LTD	—	—	1000	65862
CMI LTD	1000	1200	1000	1200
CONSOLIDATED FINANCE & HOLDINGS LTD	—	—	760	30552
COSMO FILMS LTD	—	—	2000	117800
CROMPTON GREAVES	—	—	100	38152
DCW LTD	—	—	3000	111600
DENA BANK LTD	2000	69540	2000	63800
DIVI'S LAB	—	—	100	99655
DR REDDY LAB LTD	400	358500	800	591320
GAMMON INDIA LTD	—	—	800	177400
GAS AUTHORITY OF INDIA LTD	—	—	100	20925
GLAXOSMITH PHARM LTD	1000	435440	1000	435440
GODAVARI FERTILIZER LTD	—	—	4600	283130
GOLDEN SECURITIES LTD	2000	12000	2000	22000
GOLDSTONE TELE LTD	200	—	—	—
GRAPCO MINING LTD	1500	1650	1500	1650
GREAT EASTERN SHIPPING LTD	1700	176704	2500	91813
GSAL INDIA LTD	4000	1000	4000	1000
GUJARAT NRE COKE LTD	—	—	—	—
HEXAWARE LTD	5000	93200	1500	139800
HIMACHAL FUTURISTIC LTD	—	—	4000	68800
HINDALCO LTD	4500	309019	450	309020
HINDUJA TMT LTD	—	—	200	61160
HINDUSTAN LEVER LTD	—	—	1000	131950
I-FLEX SOLUTIONS	300	153861	600	307722
IFCI LTD	—	—	2500	33250
INDO BRITAIN LTD	4000	4000	4000	4000
INDRAPRASTHA GAS LTD	—	—	200	19440
INNOSOFT TECHNOLOGIES LTD	—	—	300	7875
JINDAL PHOTO FILM LTD	—	—	240	19200
KARNATAKA BANK LTD	—	—	3600	182732
KHAITAN HOSTOMBE LTD	2000	1000	2000	1000
KOJAM FINVEST LTD	—	—	25	—
MARUTI UDYOG LTD	—	—	1000	421300



NAME OF THE COMPANY	31.03.2006		31 03 2005	
	QTY	AMOUNT(Rs.)	QTY	AMOUNT(Rs.)
MOSCHIP LTD	—	—	2000	82100
MOSER-BEAR (I) LTD	1600	365840	2600	544180
MRF LTD	—	—	30	74187
NAGURJUNA FERT & CHE LTD	—	—	1200	15000
NAKAMICHI SECURITIES LTD	41500	68475	41500	68475
OIL NATURAL GAS CORPORATION LTD	100	82882	100	82882
PASHUPATI SEOHUNG LTD	2000	8000	2000	8000
PENTAMEDIA GRAPHICS LTD	7000	31500	11000	97350
POLARIS SOFTWARE LTD	1100	128810	1800	194040
POWER TRADING COMPANY LTD	—	—	2500	120250
PRINCIPAL PHARMACEUTICALS & CHEM	1000	2710	1000	2710
PUDUMJEE PULP	—	—	2000	95000
RAJASTHAN GASES LTD	31600	36340	31600	36340
RAJSHREE SUGAR LTD	—	—	15000	554767
RELIANCE DI POWER SC FUND	—	—	10000	100000
RELIANCE INDUSTRIES LTD	1000	193940	1200	447516
RELIANCE CAPITAL VENTURE LTD	1000	4840	—	—
RELIANCE COMMUNICATION VENTURE LTD	1000	144320	—	—
RELIANCE ENERGY VENTURE LTD	1000	27220	—	—
RELIANCE NATURAL RESOURCES LTD	1000	2610	—	—
SAKTHI SUGAR	—	—	6000	206693
SHIPPING CORP LTD	—	—	1300	146094
SOUTH INDIAN BANK LTD	—	—	4000	256000
SOUTHERN PETRO CHEM LTD	—	—	4000	75200
STATE TRADING CORPORATION LTD	—	—	2000	192700
STEEL AUTHORITY OF INDIA LTD	—	—	5500	170263
STEPTWO CORP LTD	5800	23490	5800	23490
STERLITE OPTICAL LTD	—	—	1500	95250
SUN GRANITE LTD	20000	194000	20000	194000
SUNDARBAN AQUA LTD	400	520	400	520
SURAJ PRODUCTS LTD	1000	5700	1000	5700
SWAN INDUSTRIES LTD	25000	158750	25000	158750
TATA TELESERVE LTD	5000	102500	5000	102500
TISCO LTD	—	—	1297	—
UCO BANK LTD	5000	126400	5000	126420
UNIORTH TEXTILE LTD	500	425	500	425
VITARA CHEM LTD	5000	4000	5000	4000
WEST COAST PAPER LTD	—	—	400	78860
WILLIAMSON TEA	—	—	500	68325
TOTAL	186200	3277313	281557	8744701

Annexure - II

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

I Registration Details					
Registration No	037472	State Code	21		
Balance Sheet Date	31 03 2006				
II Capital raised during the year (Amount Rs in Lakhs)					
Public Issue	Rs Nil	Right Issue	Rs Nil		
Bonus Issue	Rs Nil	Private Placement	Rs Nil		
III Position of Mobilisation and Development of Funds(Amount Rs in lakh)					
Total Liabilities	Rs 1678 20	Total Assets	Rs 1678 20		
Source of Funds					
Paid-up Capital	Rs 499 23	Reserves & Surplus	Rs 358 11		
Secured Loan	Rs 583 30	Unsecured Loans	Rs 183 56		
Application of Funds (Amount Rs in Lakhs)					
Net Fixed Assets	Rs 712 11	Investments	Rs 642 98		
Net Current Assets	Rs 323 11	Miscellaneous			
Accumulated Losses	Rs Nil	Expenditure	Rs Nil		
IV Performance of Company (Amount Rs in Lakhs)					
Turnover incl other Income	Rs 780 85	Total Expenditure	Rs 608 65		
Profit/(Loss) before Tax	Rs 172 20	Profit after Tax(+)	Rs 131 35		
Earning per Share	Rs 2 63/-	Dividend Rate	NIL		
V Generic Names of Three Principal Products/Services of Company (as per monetary terms)					
Product Description	Item code				
Transportation	Not Applicable				
Equipment Hiring	Not Applicable				
Leasing & Hire Purchase	Not Applicable				
Dealings in Shares & Securities	Not Applicable				

As per our report of even date attached

For PATNI & CO

CHARTERED ACCOUNTANTS

For & on Behalf of the Board

S Sureka

Partner

Shanti Lal Jain

Chairman

Sanjay Jain

Managing
Director

Jitendra Tiwari

Company Secretary

Place L Kolkata

Dated 14th day of August, 2006

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006

(Rs. in lakhs)

For the year ended For the year ended

	<u>31st March, 2006</u>	<u>31st March, 2005</u>
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	172.66	92.45
ADJUSTMENT FOR:		
Depreciation/Preliminary Expenses	99.01	40.15
Lease Equalisation Reserve	0.00	0.03
Profit /Loss on Sale of Investment	(130.18)	(51.11)
Profit on sale of fixed assets	(0.80)	(2.59)
Advances written off	(0.14)	0.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	140.55	78.93
ADJUSTMENT FOR :		
Trade and Other Receivables	(62.91)	39.05
Inventories	54.67	117.83
Trade Payable	(0.66)	10.47
Income Tax	(9.03)	(47.56)
Cash Generated from Operations	122.62	198.72
Cash Flow before Extra - ordinary items	122.62	198.72
Net Cash flow from Operating Activities	122.62	198.72
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(564.65)	(167.42)
Purchase of Investment	(864.23)	(578.07)
Sale of Fixed Assets	4.98	8.06
Sale of Investments	881.98	324.60
Net Cash used in Investing Activities	(541.92)	(412.83)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Lease Securites	0.00	(0.01)
Proceeds Loan from Body Corporate	8.33	67.65
Proceeds from Secured Loan	407.21	132.74
Net Cash used in Financing Activities	415.54	200.38
Net Increase in Cash & Cash Equivalents	(3.76)	(13.73)
Cash & Cash Equivalents as at(Opening)	37.68	51.41
Cash & Cash Equivalents as at(Closing)	33.92	37.68

N.B : Negative figure are shown in bracket

As per our report of even date
for PATNI & CO
Chartered Accountants

S.Sureka
Partner
Place:Kolkata
Dated: 14th August,2006

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