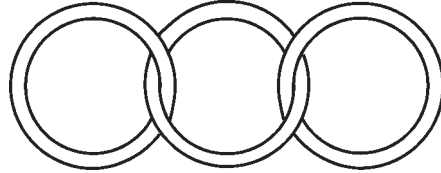


INTERLINK



Interlink Petroleum Limited

**17TH
ANNUAL REPORT
2007-2008**

**17TH ANNUAL REPORT
2007-2008**

Board of Directors	:	Mr. Sajive Nair Chairman & Managing Director Mr. Vyatcheslav Gryzin Vice - Chairman Mrs. Shaila Kartha Executive Director Mr. Vladimir Baiburin Mr. Alexei Kossilov Mr. Satish Sonalkar Dr. Vinod C.Malshe
Registered Office	:	203, Yash Vardhan Flats, Opp Radhakrishna Society, Akota Vadodara - 390 020
Dy. Company Secretary	:	Mr. Sanjay Chavda.
Bankers	:	Bank of Baroda Oriental Bank of Commerce HDFC Bank
Auditors	:	M/s. Shirish Desai & Co. Chartered Accountants Vadodara.

NOTICE

Notice is hereby given that the 17th Annual General Meeting of **Interlink Petroleum Limited** will be held on Wednesday, the 4th June, 2008 at 10.30 a.m. at the Auditorium of Vanijyabhavan, Central Gujarat Chambers of Commerce, Race Course, Vadodara-390007, to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2008, Balance Sheet as of that date together with schedules and notes forming part thereof and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vladimir Baiburin, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Alexei Kossilov, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business :

5. To consider and if thought fit, to pass, with or without modification(s), the following as a **Special Resolution:**

Issue of Equity Shares on Preferential basis:

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the existing Guidelines for Preferential Issue contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection Guidelines), 2000 as amended (hereinafter referred to as **“the Guidelines”**) and other applicable guidelines / regulations issued by the Securities and Exchange Board of India (**“SEBI”**) and subject to all necessary approvals, consents, permissions and /or sanctions of the Government of India, and any other statutory or regulatory authorities and other applicable laws, and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited (**‘BSE’**) where the shares of the Company are listed, and subject to such terms and conditions as may be prescribed or imposed by the Stock Exchange while granting such approvals, consents, permissions or sanctions and agreed to by the Board of Directors of the Company (hereinafter referred to as **“the Board”** which expression shall include any Committee constituted for the time being, thereof) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to offer, issue and allot on a preferential basis upto **1,03,10,000 (One Crore Three Lakhs Ten Thousand Only)** Equity shares of the face value of Rs.10/- each for cash at a price of Rs.16.72 (Rs. Sixteen and Paise Seventy Two Only) (including premium of Rs. 6.72 per share) aggregating to Rs. 17,23,83,200 (Rupees Seventeen Crores Twenty Three Lakhs Eighty Three Thousand Two Hundred Only) being the price calculated in accordance with the guidelines to M/s. Jit Sun Investments Pte Ltd (**“Jit Sun”**).

“RESOLVED FURTHER THAT the Equity Shares shall rank *pari passu* in all respects with the existing Equity Shares of the Company, including entitlement to dividend”;

“RESOLVED FURTHER THAT, the entire amount towards subscription shall be payable on application;

“RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued;

“RESOLVED FURTHER THAT the Board/any Committee thereof be authorized to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the Equity Shares, including reduction of the size of the issue, as it may deem expedient;

“RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the aforesaid Equity Shares, for the purpose of determining the issue price under the Guidelines is **5th May, 2008;**

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts,

deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Company to give effect to this resolution.”

6. To consider and if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution:**

Increase In Authorised Share Capital:

“RESOLVED THAT, pursuant to provisions of section 94(1)(a) and other applicable provisions of the Companies Act 1956, if any, the Authorised Share Capital of the Company be increased from Rs.10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore only) Equity shares of Rs.10/- (Rupees Ten only) each to Rs.19,00,00,000/- (Rupees Nineteen Crores only) divided into 1,90,00,000 (One Crore Ninety Lacs only) Equity shares of Rs.10/- each.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

Alteration of Memorandum of Association:

“RESOLVED THAT, pursuant to provisions of Section 16 and other applicable provisions of the Companies Act 1956, if any, Clause V of the Memorandum of Association of the Company be amended as follows:

V. ‘The Authorised Share Capital of the Company is Rs.19,00,00,000 (Rupees Nineteen Crores Only) divided into 1,90,00,000 (One Crore Ninety Lacs only) Equity shares of Rs. 10/- (Rupees Ten only) each.’

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the increase in Authorised Share Capital.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution”

For and on behalf of the Board,

**Sd/-
Sajive Nair**

Chairman & Managing Director

Place : Cochin

Date : 07.05.2008

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 AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies should be lodged with the Company 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Registers of the Company will remain closed during Saturday, the 31st May, 2008 to Wednesday, the 4th June, 2008 (both days inclusive).
4. Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956, in respect of Special Business enumerated at Item Nos. 5 to 7 in the Notice is annexed.
5. M/s. Shirish Desai & Co. Chartered Accountants, the Statutory Auditors of the Company, have certified that the said preferential issue is in accordance with the requirements contained in the Guidelines and the said Certificate will be placed before the Annual General Meeting. The Memorandum & Articles of Association of the Company, Auditors' Certificate and other documents referred to in the proposed resolution in the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day except Public Holidays, Saturdays and Sundays between 3.00 p.m. and 5.00 p.m. upto the date of the Annual General Meeting and will also be placed before the said Meeting.
6. Pursuant to the provisions of section 109A of the Companies Act, 1956, every member or joint holders may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in electronic form may contact their respective Depository Participant (DP) for availing this facility.

Interlink Petroleum Limited

7. **Members are requested :**
- a. to notify the change of address, if any, to the Registrar and Share Transfer Agent, if the shares are held by them in physical form and to the Depository participants in case the shares are held by them in electronic form immediately.
 - b. to produce at the entrance the enclosed attendance slip duly completed and signed for admission to the meeting place.
8. Equity Shares of the Company bear the **ISIN NO. INE959G01016** as allotted by National Securities Depository Limited (NSDL) and Central Depository Services Limited.(CDSL) and are traded in demat form. Share holders are requested to demat their shares for the sake of trading and convenience.
9. MEMBERS DESIROUS OF OBTAINING INFORMATION WITH RESPECT OF THE ACCOUNTS OF THE COMPANY, ARE REQUESTED TO SEND QUERIES IN WRITING TO THE COMPANY AT ITS REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

For and on behalf of the Board,

Place : Cochin
 Date : 07.05.2008

Sd/-
Sajive Nair
 Chairman & Managing Director

Annexure to the Notice of Annual General Meeting :

Information pursuant to Clause 49 of the Listing Agreement regarding reappointment of Directors.

Name of Director	: Vladimir Baiburin	Alexei Kossilov
Date of Birth	: 25-02-1949	17-09-1961
Date of Appointment	: 08-01-1994	28-04-1997
Specialized Expertise	: Industrial Management	Technical Management
Qualifications	: Petroleum Engineer	Petroleum Engineer
Directorships of other Companies as on 31 st March, 2008	: Greenpark Energy Ltd.	—
Chairman/Member of Other Committees of Companies as on 31 st March, 2008	: Member of Audit Committee Interlink Petroleum Ltd	Member of Remuneration Committee of Interlink Petroleum Ltd



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

Item No.5 :

The following disclosure for the preferential issue of Equity Shares is made in accordance with the provisions of Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (“the Guidelines”).

Issue of equity shares on preferential basis:

- It is proposed to raise long-term funds in the form of equity in order to undertake substantial expansion of Business, to meet proposed Capital Expenditure and Business development expenditure and to augment Working Capital requirement of the Company, the Board of Directors in their meeting held on 7th May, 2008, decided to issue and allot equity shares to the following entity on a preferential basis subject to receipt of necessary corporate approvals:

Equity Shares :

S. No.	Name of the Investor	No. of Shares	Price per Share (Rs.)	Investment Amount (Rs.)
1.	Jit Sun Investments Pte Limited	1,03,10,000	16.72	17,23,83,200/-
	Total	1,03,10,000	16.72	17,23,83,200/-

Jit Sun investments will benefit your Company to implement the expansion in energy and petroleum business. Its investment will constitute 56% of the fully expanded post issue equity capital of your Company.

Jit Sun Investments Pte Limited does not hold any shares in your Company on the Relevant date.

(i) Objects of the Issue :

In order to generate long term resources for implementing future growth plans, it is proposed to issue equity shares on a preferential allotment basis.

The proceeds of the proposed preferential allotment of Equity Shares will be used for strengthening the financial position of your Company.

- Expansion of Business.
- Capital Expenditure and Business development expenditure.
- Augmentation of Working Capital.

(ii) Intention of the Promoters / Directors / Key Management Persons to subscribe to the Offer :

None of the Directors intend to subscribe to the shares offered on a preferential basis.

Change in control:

As a result of the proposed preferential issue, Jit Sun Investments Pte Ltd will become Promoter of Interlink Petroleum Limited and there will be change in the Control or Management of your Company.

(iii) Shareholding Pattern of the Company before and after the Proposed Issue of Equity Shares :

	Category	Pre Issue Holding		Allotment of shares in Preferential Issue	Post Issue Holding	
		No of shares	%		No of shares	%
A	Promoter's Holding					
1.	Promoters					
a.	Indian Promoters	22,600	0.28	----	22,600	0.12
b.	Foreign Promoters	24,58,700	30.35	----	24,58,700	13.36
c.	Foreign Promoters (Jit Sun Investments Pte Ltd.)	----	----	1,03,10,000	1,03,10,000	56.00
2.	Persons acting in concert-Directors	----	----	----	----	----
	Sub Total	24,81,300	30.63		1,27,91,300	69.48
B	Non-Promoters Holding					
3.	Institutional Investors					
a(i)	Mutual Funds	----	----		----	----
(ii)	UTI	----	----		----	----
b(i)	Banks	100	0.00		100	0.00
(ii)	Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Govt. Institutions)	----	----		----	----
C	Foreign Institutional Investors	----	----		----	----
	Sub Total	100	0.00		100	0.00
4.	Others					
a.	Private Corporate Bodies	4,91,372	6.07		4,91,372	2.67
b.	Indian Public	48,30,928	59.64		48,30,928	26.24
c.	NRIs / OCBs	2,84,900	3.52		2,84,900	1.55
D	Clearing Members	11,400	0.14		11,400	0.06
e.	Any other (Please Specify)*	----	----		----	----
	Sub Total	56,18,600	69.37		56,18,600	30.52
	Grand Total	81,00,000	100		1,84,10,000	100

Notes:

1. Open Offer :

Jit Sun Investments Pte Ltd. will be making the Open Offer under the SEBI Takeover Regulations for at least 20% of the paid-up equity share capital of your Company (as expanded pursuant to the proposed preferential allotment of Equity Shares) as per the terms of the SEBI Takeover Regulations. There is no certainty as to the number of Equity Shares which may be offered to Acquirer in the Open Offer. In the event of acquisition of any Equity Shares of your Company pursuant to such Open Offer, the shareholding pattern in the above table, would undergo changes to that extent, after the acquisition of the Equity Shares in the Open Offer.

2. Lock in period:

The Equity Shares to be allotted to Jit Sun Investments Pte Ltd. under the proposed offering, shall be subject to lock-in period for a period of 3 years and / or 1 year from the date of allotment of Equity Shares as prescribed under the Guidelines.

(iv) Proposed Time within which Allotment will be completed :

The Company will complete the allotment of shares within a period of 15 days from the date of passing of the special resolution by the shareholders or where the allotment on preferential basis requires any approval by any regulatory authority or Central Government, the allotment of shares will be completed within 15 days from the date of such approval.

(v) Certificate from Auditors:

M/s. Shirish Desai & Co. Chartered Accountants, Statutory Auditors of the Company, have certified that the proposed preferential issue is being made in accordance with the requirements contained in the Guidelines. A copy of the said certificate is available for inspection by the shareholders at the Registered Office of the Company on all working days except Saturdays and Sundays and public holidays between 3.00 p.m. and 5.00 p.m. prior to the date of the Annual General Meeting and will also be available for inspection at the Meeting.

(vi) Details of Proposed Allottee and the Issue :

Name of the proposed Allottees	No. of Equity Shares proposed to be allotted	% of Post Issue Equity capital
Jit Sun Investments Pte Limited	1,03,10,000	56.00%
Total	1,03,10,000	56.00%

(v) Price of Allotment :

The above Equity Shares will be issued and allotted at a price not less than the higher of the following in terms of the Guidelines:-

- The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date;

The price per share calculated in accordance with the Guidelines works out to Rs.16.72 and the allotment will be made at Rs.16.72 per share.

Explanation:

- Relevant date for the purpose of this clause means the date thirty days prior to the date on which the meeting of general body of shareholders is held in terms of Section 81 [1A] of the Companies Act, 1956 (including any amendment to or re-enactment thereof) to consider the proposed issue, which relevant date, in the present case, is **5th May, 2008**.
- Stock Exchange for the purpose of this clause means any of the recognized stock exchanges in which the shares are listed and in which the highest trading volume in respect of shares of the Company has been recorded during the preceding six months prior to the relevant date, in present case being the Bombay Stock Exchange Limited.

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to issue further shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution.

The Guidelines require that when a Listed company proposes to make a preferential issue of equity shares, the notice of the meeting, including the explanatory statement, must make the disclosures mentioned above.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, Chapter XIII of the Guidelines and in terms of the provisions of the Listing Agreement to issue and allot Equity Shares as stated in the Special Resolution.

Your Directors, recommend the above resolution for approval by the shareholders.

None of the directors are, in any way, concerned or interested in this resolution.

Interlink Petroleum Limited

Item Nos. 6 and 7:

The present Authorised Capital of the Company is Rs. 10,00,00,000/- divided into 1,00,00,000 equity shares of Rs. 10/- each. In order to accommodate the issue of Equity shares as given in item no 5, it is essential to increase the Authorised Capital of the Company, it is proposed to increase the Authorised Capital by creating 90,00,000 (Ninety Lacs Only) Equity share of Rs.10/- (Rupees Ten) each.

Section 94(1) (a) of the Companies Act, 1956 requires that for increase in Authorised Capital of the Company by creation of additional shares, approval of members of the Company by way of Ordinary Resolution is required. It is mandatory to alter the Clause V of the Memorandum of Association by approval of members of the Company by way of Special Resolution.

Accordingly, consent of the member is sought to increase the Authorised Share Capital of the Company and alteration of Memorandum and Articles of Association of the Company.

None of the director of the Company is interested in the above resolution.

The Board of Directors recommend passing of resolution in item 6, as an Ordinary Resolution and in item 7 as a Special Resolution.

For and on behalf of the Board,

**Sd/-
Sajive Nair**

Chairman & Managing Director

**Place : Cochin
Date : 07.05.2008**

DIRECTORS' REPORT

To,
 The Members,
Interlink Petroleum Limited

Your Directors have pleasure in presenting herewith seventeenth Annual Report of your Company for the year ended 31st March, 2008.

Following figures summaries the working result of the Company.

Financial Results :	(Rs. in Lacs)	
	<u>2007-2008</u>	<u>2006-2007</u>
Gross Income	121.85	0.62
Gross Profit/ (Loss) before Interest, Depreciation & Tax	(118.76)	(53.20)
Interest	2.93	1.14
Depreciation	15.69	15.81
Provision for Taxation	0.72	0.72
Net Profit/ (Loss)	(138.10)	(70.87)

Dividend :

In view of loss, your Directors regret their inability to recommend payment of dividend to the members.

Operation in Retrospect & Prospect :

During the year under review, as evident, the Company could not register growth in terms of Revenue and Profit due to Development activity being undertaken to increase production from the current wells. As the wells are old, inspite of our development activity undertaken to enhance, the production has not yielded desired economic realization at par to industry standards hence development expenditure incurred amounting to Rs.124.83 lacs were transferred to Profit and Loss account.

The Company intended to implement a major expansion production programme of Baola Gas field, which included to develop other wells with existing two wells, for full potential recovery with latest production technology. However, the paucity of funds, created bottlenecks in implementation of the proposed plan. The Board has now finalized with M/s.Jit Sun Investments Pte Ltd., Singapore, having sound economic position and interest in collaborate its long term interest with the Company's organisational interest, has agreed to infuse long term funds by subscribing, 1,03,10,000 Equity Shares of the Company on preferential basis.

Since Government of India is continuously thrusting on development of Energy Sector, the Company expects good support there from and bearing unforeseen circumstances, it hopes to pose a better result in coming years.

The Company is still awaiting the completion formalities of Mining Lease approval of Modhera Field from the Government in order to start the commissioning activities.

MANAGEMENT DISCUSSION & ANALYSIS :

Overall Review

Year 2007-08 could also see the stable growth internationally. However the Company is not in international activities. World over the fastest growing source of primary energy is projected to be Natural Gas. As reiterated earlier, over 2001-2025 period, consumption of Natural Gas is projected to increase significantly and considerably, surpassing other traditional energy sources.

In the Country, the New Exploration Licensing Policy (NELP) has encouraged Private Sector for their due contribution to the Development of Nation by ensuring optimum exploitation of our reserves. The Company is hopeful to be the beneficiary of this policy in future time to come.

Interlink Petroleum Limited

Opportunities

Government of India has continued putting thrust of the business of Petroleum Operation in Private Sector to very high extent with the enhancement of New Exploration License Policy (NELP) and floating International Tenders/Road shows for various on shore/off shore blocks of India. The opportunities to enter into this area of business have become more confident because of advance technical backup being provided by the Government of India by carrying out advanced 3D Seismic Surveys to a great extent on these blocks. Our Company has, though started small operations with Gas field at Baola and proposed Oil field at Modhera, there exists good prospects. With new market trend to explore the business potentialities in the Hydrocarbon Sector, the Company is in process of tie up with major Russian Companies in terms of Technical / Commercial Participation for Nationals and International oilfields.

Threats

Gases is located at isolated and scattered place hence its transfer to the usage point becomes costly and expensive and in turn calls for heavy investment and suppress the margin available to the Company.

Further, various Foreign / International Companies are coming forward and as such in future, the Company has to compete with International Giants.

Internal Control Systems

The Company has already adequate Internal Control Systems in respect of efficiency of operation, financial reporting, compliance with laws and applications etc. which is supplemented by Internal Audit conducted regularly to review the adequacy and effectiveness of Internal Control and to suggest improvement. The Audit Committee regularly reviews the significant observations of the Audit and also meets the Company's Statutory Auditors to obtain their observations on Financial Reports and Controls.

Financial :

The Company looks forward for enhancement of Equity Capital with due stability in operations and performance and hopes availing requisite finance for development of existing and new fields for production enhancement and also in the new allotted Modhera Oil field.

Review of Financial Performance :

During the year under review, the Company's Gross Income got increased due to sale of assets.

Statutory Compliance :

On obtaining confirmation from the various functional areas of the Company of having complied with the statutory requirements, a declaration regarding compliance of the provision of the various statutes is made by the Managing Director at each Board Meeting. The compliance officer ensures compliance of the SEBI regulations and provisions of the Listing Agreement.

Directors' Responsibility Statement :

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state that: -

- (i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

Directorate :

Mr. Vladimir Baiburine and Mr. Alexei Kossilov, the Directors, retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-election.

Corporate Governance :

Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchange, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report, as per Annexure - B.

Audit Committee :

Pursuant to the provisions of Section 292A of the Companies Act, 1956, an Audit Committee has been constituted with three Independent Non-Executive Directors viz. Mr.Satish Sonalkar, Dr.Vinod C.Malshe and Mr.Vladimir Baiburine. The Chairman of the Committee is Mr. Satish Sonalkar. The terms of reference stipulated by the Board for the Audit Committee, cover the matters specified in aforesaid Section.

Remarks in Auditors' Report :

Observations made by the Statutory Auditors in their notes on accounts, are self-explanatory and do not call for any further comments and observations by the Company.

Public Deposit :

During the year, the Company has not accepted any Fixed Deposits under Section 58A of the Companies Act, 1956.

Energy, Technology & Foreign Exchange :

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgoings is given as Annexure: A forming part of this report.

Particulars of Employees :

Information under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, form part of this report. However, as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Shareholders interested in obtaining this information, may write to the Dy.Company Secretary at the registered office of the company.

Auditors :

The Auditor M/s. Shirish Desai & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Members are requested to appoint the Auditors and fix their remuneration.

Acknowledgement :

The Board places on record its deep appreciation to the Government of India, Foreign Collaborators, Banks and Employees for their co-operation and continued support received during the year under review.

For and on behalf of the Board,

Sd/-
Sajive Nair

Chairman & Managing Director

Place : Cochin
Date : 07.05.2008

Annexure - A

INFORMATION IN ACCORDANCE WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2008.

A. CONSERVATION OF ENERGY :

FORM - A

Disclosure of particulars with respect to conservation of energy.

a. Power and Fuel Consumption :

	Current Year 2007-2008	Previous Year 2006-2007
1. Electricity		
(a) Purchased		
No. of Unit	15295	14608
Total amount (Rs.)	157942	152300
Rate per Unit (Rs.)	10.33	10.42
(b) Own generation	N.A.	N.A.
(i) Through diesel generator		
Unit KWH		
Total amount (Rs.)		
Rate per Unit		
(ii) Through steam turbine/generator	N.A.	N.A.
Units		
Units per liter of fuel oil/gas		
Cost / Unit		
(c) Wind Electricity Generator	N.A.	N.A.
Unit KWH		
Total amount (Rs.)		
Rate per Unit		
2. Coal (specify quality and where used)	N.A.	N.A.
Quantity (tonnes)		
Total Amount.		
Average rate.		
3. L D O	N.A.	N.A.
Quantity (k. ltrs)		
Total Amount.		
4. Other / (Natural Gas)	N.A.	N.A.
Quantity (kg.)		
Total amount (Rs.)		
Rate / Per (kg.) (Rs.)		
5. HI SPEED DIESEL OIL	N.A.	N.A.
Quantity (kg.)		
Total amount (Rs.)		
6. HCR	N.A.	N.A.
Quantity (K.Ltrs)		
Total amount (Rs.)		

b. Consumption Per Unit Of Production :

	Current Year 2007-08	Previous Year 2006-07
Product :	Natural Gas	Natural Gas
Unit :	S.C.M.	S.C.M
Electricity (units per S.C.M.) :	N.A.	N.A.

B. TECHNOLOGY ABSORPTION :

Research and Development (R&D) :

1. Specific areas in which R& D carried out by the Company : Nil
2. Benefits derived as a result of the above R&D : N.A.
3. Future plan of action : Nil
4. Expenditure on R&D : Nil

Technology Absorption, Adaptation and Innovations :

1. Effort, in brief, made towards technology Absorption, Adaptation and Innovation. : Nil
2. Benefits as a result of the above : N.A.
3. Information regarding imported technology during last 5 years :
 - a) Technology imported : No
 - b) Year of Import : N.A.
 - c) Has Technology been fully absorbed? : N.A.
 - d) If not fully absorbed areas where this act not taken place, Reasons therefore and future plans of action. : N.A.

C. FOREIGN EXCHANGE EARNING AND OUTGO :

Foreign Exchange Earned	:	NIL
Foreign Exchange Used	:	NIL

Annexure – B

REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement entered into with Stock Exchanges, the Company submits the report on the matters mentioned in the said Clause and lists the practices followed by the Company.

1. Company's Philosophy on Code of Corporate Governance :

Interlink Petroleum Ltd's philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation, across all its operations. The Company's Corporate Governance philosophy has been further strengthened through its Code of Conduct, Code of Conduct for prevention of Insider Trading as also the Code of Corporate Disclosure practices leading to sharply focused and operationally efficient growth. The business operations are conducted to benefit its all stock holders, including share holders, employees, customers, suppliers and statutory authorities.

2. Board of Directors :

The Board of Directors is consisting of Directors with a Chairman and Managing Director, Executive Director and five independent Non Executive Director as on 31.03.2008. The composition of the Board is in conformity with clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Ltd. (BSE)

None of the Directors on the board is a Member of more than 10 committees or Chairman of more than 5 committees as specified in Clause 49, across all the Companies in which he is a Director. Necessary disclosures regarding committee position in other Public Companies as at 31st March, 2008 have been made by the Directors.

A brief resume of the directors being re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of the companies in which they hold directorship and membership of the committees of the board is annexed to the Notice. Whereas the names and categories of the Directors, their attendance at Board Meetings, Annual General Meeting, No. of directorships in other Companies and committee meetings etc. are given below.:

Name of Director	Category of Director	No. of Board Meeting attended during the year	Whether attended last A.G.M.	No. of Directorship in domestic public Companies	No. of Committee membership	
					Chairman	Member
Mr.Sajive Nair	Executive Chairman	4	Yes	1	—	—
Mr.Vyatcheslav Gryzin	Non Executive Vice Chairman Independent	—	No	—	—	—
Mrs.Shaila Kartha	Executive	4	Yes	1	—	—
Mr.V.G.Baiburin	Non Executive Independent	—	No	1	—	1
Mr.Alexei Kossilov	Non Executive Independent	—	No	—	—	2
Mr.Satish Sonalkar	Non Executive Independent	4	Yes	—	1	3
Mr.Vinod Malshe	Non Executive Independent	4	No	—	2	3

None of the Directors is Director or member or Chairman of any other domestic public limited company.

Board Meetings :

During the year 2007-08, the board met 4 (four) times during the year on 30.04.2007, 31.07.2007, 31.10.2007 and 31.01.2008. The longest gap between any two meetings did not exceed four months.

None of the Directors on the Board holds the office of Director in more than 15 Companies nor are they members in Committees of the Board in more than 10 Committees or Chairman of more than 5 Committees.

None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company. Necessary information as mentioned in Annexure 1A to the Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

Share holding of Directors :

Name of Directors	No. of Shares held
Mr.Sajive Nair (As a Nominee of Zapadneftgeophizika)	9,00,000
Mrs.Shaila Kartha	12,600

3. Audit Committee :

The Board of Directors has constituted an Audit Committee, comprising three Independent Non-Executive Directors viz. Mr.Satish Sonalkar, Dr.Vinod C. Malshe and Mr. Vladimir Baiburine. The Chairman of the Committee is Mr. Satish Sonalkar.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956 and Clause 49II(D) of Listing Agreement and the terms of reference stipulated by the Board for the Audit Committee, covers the matters specified, which are as under.

A. The Audit Committee shall have the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employees.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The Role of the Audit Committee shall include the following.

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment. Re-appointment and if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the annual financial statement before submission to the board for approval, with particular reference to
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
 - Changes if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustment made in the financial statements arising out of audit findings.
 - Compliance with Listing and other legal requirements relating to financial statements.

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- Disclosure of related party transaction.
- Qualification in draft Audit Report.
- 5. Reviewing with the management, the quarterly financial statements before submission to the Board approval.
- 6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control system.
- 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading of the department, reporting structure, coverage and frequency of internal audit.
- 8. Discussion with Internal Auditors, any significant findings and follow up thereon.
- 9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 10. Discussion with Statutory Auditors before the Audit Commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Share holders (in case of non payment of declared dividends) and creditors.
- 12. To review the functioning of the Whistle Blower Mechanism.
- 13. Carrying out such other functions may be specifically referred to the Committee by the Board of the Directors and/or other Committee of the Directors of the Company.
- 14. To review the following information.
 - The management discussion and analysis of financial condition and result of operation;
 - Statement significant related party transactions (as defined by the Audit Committee) submitted by management.
 - Management letter/letters of internal control weakness issued by the Statutory Auditors; Internal Audit Reports relating to internal control weakness; and
 - The appointment, removal and terms of remuneration of Internal Auditors.
- 15. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the Company.

During the year 2007-08, Four Audit Committee meetings were held on 30.04.2007, 31.07.2007, 31.10.2007 and 31.01.2008, details of the Members at the Meetings of the Audit Committees held during 2007-08 are as under.

Name of the Directors	No. of Meetings Attended
Mr.Satish Sonalkar	4
Mr.Vinod C Malshe	4
Mr.Vladimir Baiburine	—

The Manager (Accounts and Finance) being the Chief Financial Officer attend the meetings regularly.

4. Remuneration Committee :

The Board of Directors has formed a Remuneration Committee to review and recommend the remuneration package of whole time director, based on performance and defined criteria, which consist of Dr.Vinod C. Malshe as Chairman and Mr.Satish Sonalkar and Mr.Alexei Kossilov as a members.

The Remuneration Committee has been constituted to recommend / review remuneration of the Executive Director based on their performance and defined assessment criteria.

Remuneration policy of the Company is directed towards rewarding performance based on the review of achievements. The Remuneration policy is in consonance with the existing industry practice.

During the year, the Remuneration Committee has met once on 10.5.2007. The salaries payable to Managing Director and Executive Director were already approved by the Board and the Share holders for a period of five years.

Non Executive Directors do not draw any remuneration for attending Board/Committee meetings nor paid any sitting fees for the meetings attended by them.

Aggregate value of salary and perquisites for the year ended 31st March, 2008, paid to Mr.Sajive Nair, the Managing Director and Mrs. Shaila Kartha, the Executive Director are as follows,

	(Rs. in lakh)	
	Managing Director	Executive Director
Salary	5.40	5.40
Perquisites	—	—
Consultancy Charges	42.50	—
Total	47.90	5.40

5. Shareholders' / Investors' Grievance Committee :

The Board of Directors has constituted a Shareholders' / Investors' Grievance Committee, comprising three Independent Non-Executive Directors viz. Dr.Vinod Malshe, Mr.Satish Sonalkar and Mr.Alexei Kossilov. The Chairman of the Committee is Dr.Vinod Malshe.

The Committee, inter alia, oversees and reviews all matters connected with the securities and looks into Shareholders' complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. The Committee oversees the performance and working of M/s. Intime Spectrum Registry Ltd., the Registrar & Transfer Agent and of the Secretarial Department and recommends measures for overall improvement in the quality of investor services.

During the year 2007-08, the Shareholders/Investors' Grievance Committee met on 30.04.2007, 31.07.2007, 31.10.2007 and 31.01.2008. Details of attendance of members are under.

Name of the Directors	No.of Meetings Attended
Dr.Vinod C Malshe	4
Mr.Satish Sonalkar	4
Mr.Alexei Kossilov	—

The Company has designated Mr.Sanjay Chavda as Compliance Officer.

Three complaints were received during the year under review whereas no complaints are outstanding and no requests for transfers and/or requests for dematerialization were pending for approval as on 31-3-2008.

6. General Body Meetings :

Particulars of the last 3 Annual General Meetings held are as under.

Date	Time	Place
29-09-2005	11.30 a.m.	At the Auditorium of Vanijyabhavan, Central Gujarat Chambers of Commerce, Race Course, Vadodara.
29-09-2006	11.30 a.m.	— do —
28-09-2007	3.00 p.m.	— do —

No postal ballots were used for voting at these meetings as the same were not required. Presently, the Company does not have any proposal that requires a postal ballot.

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7. Disclosures :

- i) Related Party transactions, comprising of contracts or arrangements with the Promoters or other Companies/entities in which the Directors are interested, are entered in the Register of Contracts and placed before the Meeting as per Section 301 of the Companies Act, 1956. None of the transactions with any of the related parties were in conflict with the interest of the Company.
- ii) There were no instance of non-compliance and no strictures and penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities, on any matters related to the Capital Market, during the last three years.

8.1 Compliance of Mandatory Requirements :

The Company has complied with the mandatory requirements as stipulated in Clause 49 of the listing agreement with the stock exchange.

8.2. Compliance of Non Mandatory Requirements :

The Company has adopted non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Quarterly Financial Results are published in newspapers, uploaded on the Company's website and also sent to the shareholders, on request. The Company affirms that no employee has been denied access to the Audit Committee. As regards the other non-mandatory requirements, the Board has taken cognizance of the same and shall consider adopting the same, as and when necessary.

9. Means of Communication :

The annual and quarterly results are regularly published by the Company in Vadodara Samachar (Gujarati) and Business Standards (English), the news papers as per the Stock Exchange requirements.

In addition, these are also submitted to the Stock Exchanges in accordance with the Listing Agreement. Financial Results are supplied through E-mail & posts to the Shareholders on demand and also kept on website viz.sebi.gov.in..

The Management Discussion and Analysis (MD & A) is a part of the Annual Report.

10. General Shareholder information :

10.1 Annual General Meeting :

Date and time	:	Wednesday, the 4 th June, 2008 at 10.30 a.m.
Venue	:	At the Auditorium of Vanijyabhavan, Central Gujarat Chambers of Commerce, Race Course, Vadodara.

10.2 Financial Calendar :

Unaudited Quarterly Results Board Meeting to approve

Unaudited Quarterly Results ending September 30, 2008	:	By end of October, 2008
Unaudited Quarterly Results ending December 31, 2008	:	By end of January, 2009
Unaudited Quarterly Results ending March 31, 2009	:	By end of April, 2009
Unaudited Quarterly Results ending June 30, 2009	:	By end of July, 2009
Audited Results for the year 2008-09	:	By end of August, 2009

10.3 Details of Book Closure :

To comply provision of Listing Agreement and Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 31st May, 2008 to Wednesday, the 4th June, 2008 (Both days inclusive)



10.4 Dividend Remittance	:	Not Applicable
10.5 Listing of Equity Shares on Stock Exchange :	:	The Bombay Stock Exchange Ltd., (BSE)
10.6 Stock Code	:	Scrip Code: 526512
Trading Symbol	:	INTERLINK PE
Bombay Stock Exchange (Demat Segment)		
Demat ISIN Number in BSE	:	ISIN INE959G01016

10.7 Stock Market Data:

Monthly High & Low Quotes at B.S.E.

Month		Share Price of Interlink Petroleum Ltd.			BSE SENSEX	
		Highest	Lowest	Volume	Highest	Lowest
April	2007	4.90	4.20	13300	14383.72	12425.52
May	2007	7.50	4.72	33500	14576.37	13554.34
June	2007	7.29	4.92	23500	14683.36	13946.99
July	2007	12.42	7.65	88600	15868.85	14638.88
August	2007	9.37	6.70	20600	15542.40	13779.88
September	2007	9.15	7.19	50400	17361.47	15323.05
October	2007	10.25	7.89	70400	20238.16	17144.58
November	2007	16.64	7.72	38800	20204.21	18182.83
December	2007	22.35	13.75	192300	20498.11	18886.40
January	2008	34.40	17.45	386100	21206.77	15332.42
February	2008	17.60	12.00	95800	18895.34	16457.74
March	2008	17.00	9.25	43300	17227.56	14677.24

10.8 Address for Correspondence :

Secretarial Dept.
Interlink Petroleum Ltd.
"Interlink House"
Akota-Padra Raod, Akota,
Vadodara – 390 020.
Phone: 0265-2339313/2338496
E-mail: interlinkpet@hotmail.com

Intime Spectrum Registry Ltd.
1st Floor, 308, Jaldhara Complex,
Opp: Manisha Society,
Off Old Padra Road, Vasna Road,
Vadodara- 390 015.
Phone: 0265-2250241, 3249857
E-mail: vadodar@intimespectrum.com

10.9 Share Transfer System :

Presently, the share transfers which are received in physical form are processed and share certificates are returned within a period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects.

10.10 Distribution of Shareholding as on 31st March, 2008 :

No. of Share Holding	Holders	Shares	% to Total Capital
Upto 500	8473	2088013	25.78
501 - 1000	957	723450	8.93
1001 - 2000	234	346500	4.28
2001 - 3000	61	156800	1.94
3001 - 4000	25	91200	1.12
4001 - 5000	22	103700	1.28
5001 - 10000	35	268787	3.32
10001 and Above	47	4321550	53.35
TOTAL :	9854	8100000	100.00

The Company has not issued any GDRs / ADRs /Warrants or any convertible instrument.

10.11 Dematerialisation of Shares :

The Shares of the Company has already been allotted ISIN INE959G01016 by NSDL and CDSL.

25,50,200 Equity Shares (31.49%) of the Company, have been dematerialized by NSDL & CDSL as on 31.03.2008.

10.12 Plant Location :

GCS Baola, Vil.Salajda, Tal. Baola, Dist. Ahmedbad

10.13 Address for Correspondence for settlement of Shares related Grievances

Intime Spectrum Registry Ltd.
at their office address mentioned at
10.8 above.

DECLARATION

As provided under Clause 49 of the Listing Agreement entered into by the Company with Bombay Stock Exchange Ltd., it is hereby declared that all the Board Members and Senior Executives of the Company have affirmed compliance with the Code of Conduct for the year ended 31.03.2008.

For and on behalf of the Board,

Place : Cochin
Date : 07.05.2008

Sd/-
Sajive Nair
Chairman & Managing Director

CERTIFICATE

To,
The Board of Directors,
Interlink Petroleum Limited
Vadodara.

This is to certify that;

we have reviewed financial statement and the cash flow statement for the year and that to the best of our knowledge and belief. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations, There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent , illegal or violative of the Company's code of conduct we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee,

- Significant changes in Internal Control during the year;
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
- instances of significant fraud of which they have become aware and the involvement therein if any, of the management or an employee having a significant roles in the Company's Internal Control System.

For and on behalf of the Board,

Place : Cochin
Date : 07.05.2008

Sd/-
Sajive Nair
Chairman & Managing Director

Auditors' Certificate on Corporate Governance

To The Members of
Interlink Petroleum Limited
Vadodara

We have examined the compliance of conditions of Corporate Governance by Interlink Petroleum Ltd., for the year ended 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholder's / Investor's Grievance Committee.

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

FOR SHIRISH DESAI & CO.
Chartered Accountants

PLACE : Cochin
DATE : 07.05.2008

DILIP K.THAKKAR
Partner
Membership No. : 31269

AUDITORS' REPORT

To the Members of
INTERLINK PETROLEUM LTD.

1. We have audited the attached Balance Sheet of Interlink Petroleum Ltd. ('The Company') as at 31st March, 2008 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. 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. These 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 supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('The Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) 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 those books;
- iii) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956, subject to the qualifications & notes to accounts;
- v) On the basis of the written representations received from the directors as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- vi) *During the year under review the company has transferred to the profit & loss account the development cost of existing two wells which was incurred in earlier years and shown under the head of Capital Work in Progress amounting to Rs. 1,24,82,716/-. As per the information and explanations given to us by the management, the wells are old & inspite of the development activity taken out by the company, the production has not yielded the desired economic realization in par to industrial standards and hence it is transferred to Profit & Loss Account.*
- vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes on accounts give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2008;
 - (b) In the case of the profit and loss account, of the loss for the year ended on that date; and
 - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

FOR SHIRISH DESAI & CO.
Chartered Accountants

Place : Cochin
Date : 7.05.2008

DILIP K. THAKKAR
Partner
Membership No. : 31269

ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management during the year as per information given to us. As explained to us no material discrepancies were noticed on such verification as compared to the available book records.
 - (c) As per the information and explanation given to us on our enquiries the disposal of assets during the year was not substantial so as to have an impact on the operations of the company or affect its going concern.
2. In respect of its inventories:
 - a. The Company is in business of extraction of natural gas from the field, which is supplied as and when it is extracted. So there is no storage of natural gas available and hence physical verification of natural gas stock is not applicable. However, stores and spare parts have been physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, 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.
 - c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
 - a. The company had taken loan from two parties covered in register maintained under section 301 of the Companies Act, 1956. The opening balance of the same was Rs. 3.08 Lacs and its closing balance is Nil. The maximum balance during the year was Rs. 5.99 Lacs. The loan taken is interest free and other terms and conditions on which the loan has been taken are not prima facie prejudicial to the interest of the company. In respect of loan taken, whether the amount has been repaid regularly or not cannot be commented upon, as there is no stipulation as regards to the repayment of the amount.
 - b. The company has not granted any loans to the companies, firms or other parties covered in register maintained under section 301 of the Companies Act 1956. Accordingly the provisions of clause (a), (b), (c) & (d) of the order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of transaction covered under section 301 of the Companies Act, 1956;
 - (a) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, there is one transaction in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act aggregating during the year to more than Rs. 5 lacs, that is Rs. 42.5 lacs, for which no comments are being made owing to the unique and specialized nature of the items involved and absence of any comparable prices. For price justification, reliance is placed on the information and explanation given by the management.
6. The Company has not accepted any deposits from the Public during the year.
7. In our opinion and according to the information and explanations given to us the internal audit system of the Company is commensurate with the size and nature of its business.
8. We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the product of the company.

9. According to the information and explanations given to us in respect of statutory and other dues:
- (a) We are informed that the provisions of Employees' Provident Fund Act & Employees' State Insurance Act, 1948 are not applicable to the Company during the year. According to the records of the Company, undisputed statutory dues including Investors' Education and Protection Fund, Income-tax, Sales-tax/ VAT, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess, Fringe Benefits Tax and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2008 for a period of more than six months from the date of becoming payable except undisputed amounts of Rs. 0.54 lacs being royalty payable to Government of Gujarat and Rs. 64.50 lacs being production bonus payable to Oil and Natural Gas Corporation (O.N.G.C.) Ltd.
- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income-tax, wealth-tax, sales-tax / VAT, customs duty, excise duty, service tax, fringe benefits tax and cess were in arrears, as at 31st March, 2008.
10. The accumulated losses of the Company are Rs. 675.99 Lacs, which is more than fifty percent of its net worth. The company has incurred cash losses of Rs. 114.70 during the financial year covered by our audit and there were cash losses in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions/banks as at the Balance sheet date. The Company has not issued any Debenture.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. As such the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. Based on examination of documents and records made available and on the basis of information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief, and according to the information and explanations given to us, term loans availed by the Company were prima facie, applied by the Company for the purposes for which the loans were obtained.
17. According to information and explanations given to us and on an overall examination of the balance sheet of the Company, funds on short term basis have not, prima-facie, been used for long term investment.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956
19. The Company has neither issued nor had any outstanding debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR SHIRISH DESAI & CO.
Chartered Accountants

Place : Cochin
Date : 7.05.2008

DILIP K. THAKKAR
Partner
Membership No. : 31269

BALANCE SHEET AS AT 31st MARCH 2008

	Schedule	AS AT 31/03/2008 Rs.	AS AT 31/03/2007 Rs.
SOURCES OF FUNDS :			
SHAREHOLDERS' FUND			
Share Capital	1	80956000	80956000
Reserves & Surplus	2	—	—
LOAN FUNDS			
Secured Loans	3	7990270	4421399
Unsecured Loans	4	10190032	2698448
TOTAL		99136302	88075847
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	5	28417112	32661792
Less : Depreciation		11059191	10353398
Net Block		17357921	22308394
Pre-operative expenses Pending Allocation		35000	35000
Capital Work in Progress		-	12118754
		17392921	34462148
INVESTMENTS	6	3460	4503460
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	7	-	519077
Cash & Bank Balances	8	23028810	132062
Loans & Advances	9	1131004	3253496
		24159814	3904635
Less: CURRENT LIABILITIES & PROVISIONS	10	10018395	9355439
NET CURRENT ASSETS		14141419	(5450804)
MISC. EXPENDITURE	11	551268	1323174
(to the extent not Written off or Adjusted)			
PROFIT & LOSS A/C		67047234	53237869
TOTAL		99136302	88075847
Significant Accounting Policies & Notes Forming Part of the Accounts	15		

As per our report of even date.

FOR SHIRISH DESAI & CO.
Chartered Accountants

DILIP K.THAKKAR
Partner.- Membership No. 31269

Place: Cochin
Date :7.05.2008

FOR AND ON BEHALF OF THE BOARD,

SAJIVE NAIR
Chairman & Managing Director

SHAILA KARTHA
Executive Director

Sanjay Chavda
Dy. Company Secretary

Place: Cochin
Date :7.05.2008



17TH ANNUAL REPORT 2007-2008

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Year ended 31.03.2008 Rs.	Year ended 31.03.2007 Rs.
INCOME			
Income from Sale of Asset		11842584	-
Other Income	12	342164	61982
TOTAL (A)		12184748	61982
EXPENDITURE			
Development Expenses		12482716	-
Manufacturing & Other Expenses	13	10806784	4647363
Interest and Financial Charges	14	292875	113764
Depreciation	5	1568845	1580664
Preliminary & Deferred Revenue-Exp. written off	11	771906	735376
TOTAL (B)		25923126	7077167
PROFIT / (LOSS) BEFORE TAX (A-B)		(13738378)	(7015185)
Provision for Fringe Benefit Tax		72000	72000
PROFIT / (LOSS) AFTER TAX		(13810378)	(7087185)
Balance brought forward from previous year		(53237869)	(46150684)
Less : Excess FBT Provision of earlier years written back		1013	-
Balance Carried To Balance Sheet		(67047234)	(53237869)
Earning per share – basic & diluted		(1.70)	(0.87)
Significant Accounting Policies & Notes Forming Part of the Accounts	15		

As per our report of even date.

FOR SHIRISH DESAI & CO.
Chartered Accountants

DILIP K.THAKKAR
Partner.- Membership No. 31269

Place: Cochin
Date :7.05.2008

FOR AND ON BEHALF OF THE BOARD,

SAJIVE NAIR
Chairman & Managing Director

SHAILA KARTHA
Executive Director

Sanjay Chavda
Dy. Company Secretary

Place: Cochin
Date :7.05.2008

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule	AS AT 31/03/2008 Rs.	AS AT 31/03/2007 Rs.
Schedule 1 : SHARE CAPITAL		
AUTHORISED CAPITAL		
10000000 Equity Shares of Rs. 10 Each	100000000	100000000
TOTAL	100000000	100000000
ISSUED, SUBSCRIBED AND PAID UP		
8100000 (P.Y. 8100000) Equity Shares of Rs. 10 each fully paid up	81000000	81000000
Less : Calls in Arrears	44000	44000
TOTAL	80956000	80956000
Schedule 2 : Reserves & SURPLUS		
Profit & loss account	—	—
TOTAL	—	—
Schedule 3 : SECURED LOANS		
TERM LOAN FROM BANKS		
1) HDFC Bank		
Term Loan against Hypothecation of Vehicles	1803057	966984
2) Oriental bank of Commerce		
Term Loan against Hypothecation of Plant & Machinery / Furniture & Fixture and Equitable mortgage of three Flats of the Company.	2709831	3454415
3) Overdraft from Oriental Bank of Commerce		
Overdraft secured against Fixed Deposit with bank	3477382	-
TOTAL	7990270	4421399
Schedule 4 : UNSECURED LOANS		
Deposit from Customer	2390032	2390032
Loans from Director	-	168416
Interest free Inter Corporate Deposit	7800000	140000
TOTAL	10190032	2698448

**Schedule 5 :
Fixed Assets : Depreciation for the Year 2007-08**

Sr. No.	Description	Rate of Dep. %	Gross Block				Depreciation				Net Block	
			As on 01/04/07	Addition During the Yr.	Ded. during the Yr.	As at 31/03/08	As at 01/04/07	Add. During the Yr.	Ded. During the Yr.	Upto 31/03/08	As at 31/03/08	As at 31/03/07
1	Office Building	1.63	5615805	0	5615805	0	786771	76281	863052	0	0	4829034
	Staff Quarter	1.63	1470270	0	0	1470270	283358	23965	0	307323	1162947	1186912
	Total (Office Bldg.)		7086075	0	5615805	1470270	1070129	100246	863052	307323	1162947	6015946
2	Office Equipment	6.33	312526	0	0	312526	137849	19783	0	157632	154894	174677
3	Computer set	7.07	1743966	0	0	1743966	1459717	123298	0	1583015	160951	284249
4	Vehicle	9.5	3928236	1371125	0	5299361	1819547	374250	0	2193797	3105564	2108689
5	Furniture & Fixture	6.33	1041333	0	0	1041333	581519	65916	0	647435	393898	459814
6	Plant & Machinery	5.28	12452404	0	0	12452404	3917447	657487	0	4574934	7877470	8534957
7	Site Building	1.63	4562252	0	0	4562252	446190	74365	0	520555	4041697	4116062
8	Prod. Rights of Baola Gas Field	10	1535000	0	0	1535000	921000	153500	0	1074500	460500	614000
	Total		32661792	1371125	5615805	28417112	10353398	1568845	863052	11059191	17357921	22308394
	Previous Year		32331514	330278	0	32661792	8772734	1580664	0	10353398	22308394	23558780

Note :During the year, the company has shifted its office at the premises which were earlier used as Staff Quarter. Hence opening balances of Staff quarter have been transferred to merge with opening balances of Office Building.

	AS AT 31/3/2008 Rs.	AS AT 31/3/2007 Rs.
Schedule 6: INVESTMENTS- Long Term (At Cost)		
QUOTED		
587 Equity Shares of Rs. 10/- each of UTI Master Shares (Market Value Rs. 7602/-)	3460	3460
UNQUOTED, At Cost	-	4500000
TOTAL	3460	4503460
Schedule 7 : SUNDRY DEBTORS		
(Unsecured & Considered Good)		
Over Six Months	-	519077
TOTAL	-	519077
Schedule 8 : CASH AND BANK BALANCES		
Cash in Hand	1679184	74412
Balances with Scheduled Banks	7073999	57650
Fixed Deposit with Scheduled Banks	14275627	-
TOTAL	23028810	132062
Schedule 9 : LOANS AND ADVANCES		
Loans and Advances recoverable in cash or 'kind or for value to be received		
Unsecured & Considered Good	1131004	1781818
Trade Advance (Unsecured & Considered Good)	-	1471678
TOTAL	1131004	3253496

	AS AT 31/3/2008 Rs.	AS AT 31/3/2007 Rs.
Schedule 10 :		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors	9129775	8414682
Provisions for Fringe Benefits Tax	14000	72000
Creditors for Capital Goods	759300	759300
Provisions for employee Benefits	72817	49960
Provisions for expenses	42503	57438
Advance from Customer	-	2059
TOTAL	10018395	9355439
Schedule 11 :		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
A. PRELIMINARY EXPENSES		
Opening Balance	588150	1139770
Less: Written off during the year (I)	588150	551620
Balance (A)	0	588150
B. DEFERRED REVENUE EXPENSES		
Opening Balance	735024	918780
Less: Written off during the year (II)	183756	183756
Balance (B)	551268	735024
TOTAL (I + II)	771906	735376
TOTAL (A + B)	551268	1323174

	2007-08 Rs.	2006-07 Rs.
Schedule 12 : OTHER INCOME		
Interest income	311005	5352
Dividend from UTI	2119	1761
Miscellaneous Income	29040	5000
Sale of Sludge	-	49869
TOTAL	342164	61982
Schedule 13 : MANUFACTURING & OTHER EXPENSES		
Power & Fuel	115964	106590
Directors' Remuneration	1080000	1080000
Consultancy charges to Director	4250000	-
Salary and other benefits	949188	1261276
Sales Tax/ VAT	-	5541
Staff Welfare Expenses	17672	34775
Festival Expenses	7064	-
Rent, Rates, & Taxes	103560	95714
Electricity Expenses	41978	45710
Security Charges	80872	80808
Insurance Expenses	88378	113396
Printing & Stationery	75800	155883
Telecommunication Expenses	172146	159324
Traveling Expenses (incl.Directors' T.E. 29991)	175120	538676
Conveyance	32414	8620
Professional Charges	411835	417570
Postage & Courier	57943	109218
Auditor's Remuneration		
- For Audit matter 10000		
- For taxation matter 10000	20000	20000
Advertisement	19769	9184
Office Expenses	56673	110719
Vehicle Expenses	188426	198142
Repairs & Maintenance	84594	31738
Listing Fees	15150	15000
Legal Expenses	8174	10065
Membership & Subscription	3293	6369
MCM Expenses	-	9131
Government Audit Fees	66750	-
Miscellaneous Expenses	280	1466
Depository Expenses	22361	22448
Bad debts	2661380	-
TOTAL	10806784	4647363
Schedule 14 : INTEREST AND FINANCIAL CHARGES		
Bank Charges	8267	4708
Interest Expenses	284608	109056
TOTAL	292875	113764

SCHEDULE 15: SIGNIFICANT ACCOUNTING POLICIES and NOTES

FORMING PART OF ACCOUNTS: -

A) SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION:

The financial statements are prepared under historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles in India and in accordance with the mandatory accounting standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

b) USE OF ESTIMATES:

The presentation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

c) FIXED ASSETS AND DEPRECIATION :

- i) Fixed Assets are stated at cost, less accumulated depreciation including financing costs till commencement of commercial production. Net changes on foreign exchange contracts and adjustment arising from exchange rate variations attributable to the fixed assets are capitalized.
- ii) Depreciation on fixed assets is provided in accordance with the rates as specified in Schedule XIV to The Companies Act, 1956, on straight-line method, upto 95% of the cost of the assets. Depreciation is charged pro-rata on monthly basis on assets from/upto the month of capitalization/sale, disposal and/or dismantle.
- iii) Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortisation.

d) VALUATION OF INVENTORIES :

Natural Gas is extracted from field as and when supply of gas is to be made. So there is no storage of Natural Gas available and hence there is no stock of natural gas. Stores and spares are valued at lower of cost or net realizable value.

e) SALES :

Sales are accounted for at gross of sales tax and royalty.

f) PRELIMINARY EXPENSES :

The Company has a policy of amortizing preliminary expenses in the nature of expenses for incorporation of the Company, Public issue expenses and like expenses; over a period of ten years.

g) EXPLORATION AND DEVELOPMENT COSTS :

- i) The Company is following "Full Cost Method" for allocating all costs incurred in prospecting, exploring and developing including interest which are accumulated, as per the guidance note on Accounting for Oil and Gas producing activities issued by the institute of Chartered Accountants of India.
- ii) The Capitalized costs are depreciated as and when the reserves are produced/extracted.
- iii) Cost of exploratory wells, including survey costs, is expensed in the year when determined to be dry/abandoned or is transferred to the producing properties on attainment of commercial production.
- iv) Producing properties, including the costs incurred on dry wells in development areas, are depleted using 'Unit of Production' method based on estimated proved developed reserves. Any changes in Reserves and / or Cost are dealt with prospectively. Hydrocarbon reserves are estimated and / or approved by the management committee, which follow the International Reservoir Engineering Principles.

h) IMPAIRMENT OF ASSETS :

At each Balance Sheet date, the Company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.

Where the impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior accounting periods.

i) INVESTMENTS :

Current investments are carried at the lower of cost and quoted / fair value. Long term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

j) RECOGNITION OF INCOME AND EXPENDITURE :

All income and expenditure items that have material bearing on the financial statements are recognized on accrual basis. However gratuity, leave encashment, insurance claims etc. are not accounted on accrual basis but are accounted for as and when paid/received.

k) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

l) ACCOUNTING FOR TAXATION :

Income taxes are accounted for in accordance with Accounting Standard 22 AS "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured using the relevant enacted tax rates. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets to the extent they have become reasonably certain or virtually certain of realization, as the case may be.

m) BORROWING COSTS :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

n) ACCOUNTING FOR RETIREMENT BENEFIT:

Gratuity, Leave encashment and Post retirement benefits to employees are accounted on cash basis.

o) FOREIGN CURRENCY TRANSACTIONS:

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at date of transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items, at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Interlink Petroleum Limited

B: NOTES FORMING PART OF ACCOUNTS

- None of the employees of the Company was in receipt of remuneration in aggregate of Rs.2,00,000/- or more per month if employed for a part of the year and Rs. 24,00,000/- or more if employed throughout the year.
- Amount paid or provided for by way of remuneration to the Directors :-

(Rs. in Lacs)

Particulars	Managing Director		Executive Director	
	2007-08	2006-07	2007-08	2006-07
Salary	5.40	5.40	5.40	5.40
Perquisites	—	—	—	—
Consultancy Charges	42.50	—	—	—
Total	47.90	5.40	5.40	5.40

- The company has written off trade advance of Rs. 14.72 lacs, other loans and advances Rs. 6.70 lacs and debtors of Rs. 5.19 lacs which were doubtful for recovery.
- The Company has paid Rs. 783783/- as Interest u/s 234-B on Income Tax for A.Y. 1993-94. The Company has applied for waiver of the same and hence it is not debited to P & L A/c but the same has been shown as Loans and Advances.
- Additional information pursuant to provision of paragraph 3 and 4 of part II of Schedule VI of the Companies Act, 1956.

	2007-08	2006-07
a. Payment / Exp. in Foreign Currency	NIL	NIL
b. Foreign Traveling Costs	NIL	NIL
c. Earning in Foreign Currency	NIL	NIL

- Impairment of Assets :- The Company has examined carrying cost of its identified Cash Generating Units (CGU) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standard – 28 on Impairment of Assets, according to which no provision for impairment is required as assets of none of CGUs are impaired as on 1st April, 2007. There have been no indications of impairment during the financial year ended 31st March, 2008.
- The Company is engaged in extraction of natural gas only and therefore there is only one reportable segment in accordance with Accounting Standard 17.
- The Company has substantial carried forward losses and unabsorbed depreciation and also the Company is having tax benefits under section 80IB. In view of the absence of virtual certainty of realization of carried forward tax losses. it has not created any deferred tax asset / liabilities as envisaged in AS-22 on taxes of income issued by ICAI.
- Payment to auditors

	Current Year 2007-08	Previous Year 2006-07
Audit Fees	10000	10000
Tax Audit Fees	10000	10000
Total *	20000	20000

* Auditors' remuneration excludes Rs.160000/- paid to the proprietary firm of a partner.

10. List of Related Parties :

- 1) Associate Companies: Greenpark Energy Limited
- 2) Key Management Personnel :
 - Chairman & Managing Director : Mr. Sajive Nair
 - Executive Director : Mrs. Shaila Kartha

(Rs. in Lacs)

Nature Of Transaction	2007-08	2006-07
<u>Credit Balance</u>		
Chairman & Managing Director	0.05	1.66
Executive Director	0.09	3.02
<u>Unsecured Loan</u>		
From Associate Companies	0	1.40
From Executive Director	0	1.68
<u>Managerial Remuneration</u>		
Chairman & Managing Director	5.40	5.40
Executive Director	5.40	5.40
<u>Consultancy Charges</u>		
Chairman & Managing Director	42.50	-

11. During the year, the Company has written off Deferred Revenue Expenses of Rs.183756/- and Preliminary Expenses of Rs. 588150/-.
12. Pre-operative expenses pending allocation of Rs.35,000/- relates to expenses incurred for Modhera field development.
13. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

I. Details of Capacity and Production

Class of Goods	Installed Capacity (in M ³)		Production (in M ³)	
	2007-08	2006-07	2007-08	2006-07
Natural Gas	9900000	9900000	NIL	NIL

II. Consumption of Raw Materials : Nil
III. Sales & Stock of Finished Goods :

Goods	Opening Stock		Closing Stock		Sales Qty (in M ³)		Sales Value (Rs.)	
	Value	Qty (M ³)	Value	Qty (M ³)	2007-08	2006-07	2007-08	2006-07
Natural Gas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Production of Gas has been discontinued from 01.12.2004, the development of Baola Gas field being in progress. Development cost amounting to Rs. 124.83 lacs has been incurred. During the year under review the company has transferred to the profit & loss account the development cost of existing two wells which was incurred in earlier years and shown under the head of Capital Work in Progress amounting to Rs. 124.83 lacs. As per the information and explanations given to us by the management, the wells are old & inspite of the development activity taken out by the company, the production has not yielded the desired economic realization in par to industrial standards and hence it is transferred to Profit & Loss Account.

14. In the opinion of directors, the current assets including loans, advances, deposits etc, shall realize the values shown there under if realized in the normal course of business.

15. The balances of debtors, creditors and loan & advances appearing in the balance sheet are subject to reconciliation and confirmation.
16.
 - a) Sundry Creditors include Rs. Nil (Previous Year Rs. Nil) due to small scale industrial undertakings to the extent such parties have been identified by the Management from available information.
 - b) The Company has not received any intimation from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises development Act, 2006 and hence disclosures if any relating to amounts unpaid as at March 31, 2008 together with interest paid / payable as required under the said Act, have not been given.
17. The company has not provided for gratuity and leave encashment to its employees on accrual basis as it is accounted on cash basis which is not in conformity with AS 15 issued by ICAI. The liability for gratuity is Rs. 36519/- & leave encashment is Rs. 22357/- is not provided in the books.
18. The interest on Development charges upto 31st December 2007 Rs. 363962/- are capitalized & added in the Capital Work in Progress and interest from 1st January 2008 to 31st March 2008 Rs. 99013/- is considered as revenue expense.
19. Previous year figures have been regrouped and rearranged wherever necessary in order to make them comparable with that of the current year.

As per our report of even date.

FOR SHIRISH DESAI & CO.
Chartered Accountants

DILIP K.THAKKAR
Partner.- Membership No. 31269

Place: Cochin
Date :7.05.2008

FOR AND ON BEHALF OF THE BOARD,

SAJIVE NAIR
Chairman & Managing Director

SHAILA KARTHA
Executive Director

Sanjay Chavda
Dy. Company Secretary

Place: Cochin
Date :7.05.2008



**Balance Sheet Abstract and Company's General Business Profile,
as per provisions of part IV of schedule VI of the Companies Act,1956.**

I. REGISTRATION DETAILS

Registration No. : 0 1 6 1 4 1 State Code : 0 4
 Balance Sheet : 31 03 2008
 Date Month Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT Rs. IN THOUSANDS)

Public Issue	Bonus Issue
NIL	NIL
Right Issue	Private Placement
NIL	NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS
(AMOUNT Rs. IN THOUSANDS)**

TOTAL LIABILITIES	TOTAL ASSETS
99136	99136

Source of Funds

Paid-up Capital	Reserves and Surplus
80956	—
Secured Loans	Unsecured Loans
7990	10190

Application of Funds

Net Fixed Assets	Investments
17393	3
Net Current Assets	Misc. Expenditures
14142	551
Accumulated Losses	
67047	

IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS).

Turnover	Total Expenditures
12185	25923
Profit/(Loss) Before Tax	Profit/(Loss) After Tax
(13738)	(13810)
Earning Per Share (Rs.) : (1.70)	Dividend Rate (%) : NIL

**V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY
(as per monetary terms)**

Item Code.No.(ITC Code)	2 5 2 3 1 0
Product Description	OIL & GAS EXPLORATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

PARTICULARS	2007-08 (Rs. in lacs)	2006-07 (Rs. in lacs)
A) NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss before taxes	(137.38)	(70.15)
Adjustments for :		
Profit on sale of Fixed Assets	(118.43)	-
Development expenses	124.83	-
Interest Received	(3.11)	(0.05)
Dividend Received	(0.02)	(0.02)
Depreciation	15.69	15.81
Amortisation of expenses	7.72	7.35
Interest Expenses	2.85	1.14
Provision for Taxation / Fringe Benefit Tax	(0.72)	(0.72)
>> Operating profit/loss before working capital adjustments	(108.57)	(46.64)
Debtors	5.19	-
Loans & Advances including intercorporate deposits	21.23	15.20
Current Liabilities & Provisions	6.63	9.78
>> Cash Generated from Operations (ordinary activity)	(75.52)	(21.66)
Adjustment for prior period item.	-	-
Net Cash Generated from Operations >>>	(75.52)	(21.66)
B) NET CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	3.11	0.05
Dividend Received	0.02	0.02
Purchase of Fixed Assets	(13.71)	(5.99)
Sale of Fixed Assets	165.95	-
Sale of Investments	45.00	-
Net Cash flow from Investing activities >>>	200.37	(5.92)
C) NET CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings	110.60	(10.87)
Interest Paid	(2.85)	(1.14)
Interest Paid on Development Expenses	(3.63)	-
Net Cash flow from Financing activities >>>	104.12	(12.01)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	228.97	(39.59)
Cash and Cash Equivalents as at 1 st April, 2007	1.32	40.91
Cash and Cash Equivalents as at 31 st March, 2008	230.29	1.32

As per our report of even date.

FOR SHIRISH DESAI & CO.
Chartered Accountants

DILIP K. THAKKAR
Partner.- Membership No. 31269

Place: Cochin
Date :7.05.2008

FOR AND ON BEHALF OF THE BOARD,

SAJIVE NAIR
Chairman & Managing Director

SHAILA KARTHA
Executive Director

Sanjay Chavda
Dy. Company Secretary

Place: Cochin
Date :7.05.2008



17TH ANNUAL REPORT 2007-2008

INTERLINK PETROLEUM LIMITED

Regd.Office : 203, Yashvardhan Flats, Opp. Radha Krishna Society, Akota, Vadodara – 390020

ATTENDANCE SLIP

Please write below

Registered Folio No. _____

Client ID No. _____

Shares Held _____

(Please write your name in BLOCK – letters)

Thereby record my presence at the ANNUAL GENERAL MEETING of the Company held at the Auditorium of Central Gujarat Chamber of Commerce, Race Course. Baroda- 390007, on Wednesday, 4th June, 2008 at 10.30 a.m.

Member's/ Proxy's Signature

(To be signed at the time of handing over this slip)

NOTE : Please carry with you this attendance slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.

-----tear here-----

INTERLINK PETROLEUM LIMITED

Regd.Office : 203, Yashvardhan Flats, Opp. Radha Krishna Society, Akota, Vadodara – 390020

FORM OF PROXY

Please write below

Registered Folio No. _____

Client ID No. _____

Shares Held _____

I/ We _____ of _____ being member/ members of the above named Company (INTERLINK PETROLEUM LIMITED) hereby appoint _____ of _____ or failing him/ her _____ of _____ as my/ our Proxy to vote for me/ us and on my/ our behalf at the ANNUAL GENERAL MEETING of the Company to be held at the Auditorium of Central Gujarat Chamber of Commerce, Race Course Road, Baroda on Wednesday, 4th June, 2008 at 10.30 a.m.

Signed _____ day of _____ 2008.

Signed by the said _____

(Please affix
One Rupee
Revenue
Stamp)

NOTE : The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Book - Post

Postal
Stamp

To,

If undelivered, please return to :

Interlink Petroleum Limited

203, Yash Vardhan Flats,
Opp Radhakrishna Society, Akota
Vadodara - 390 020