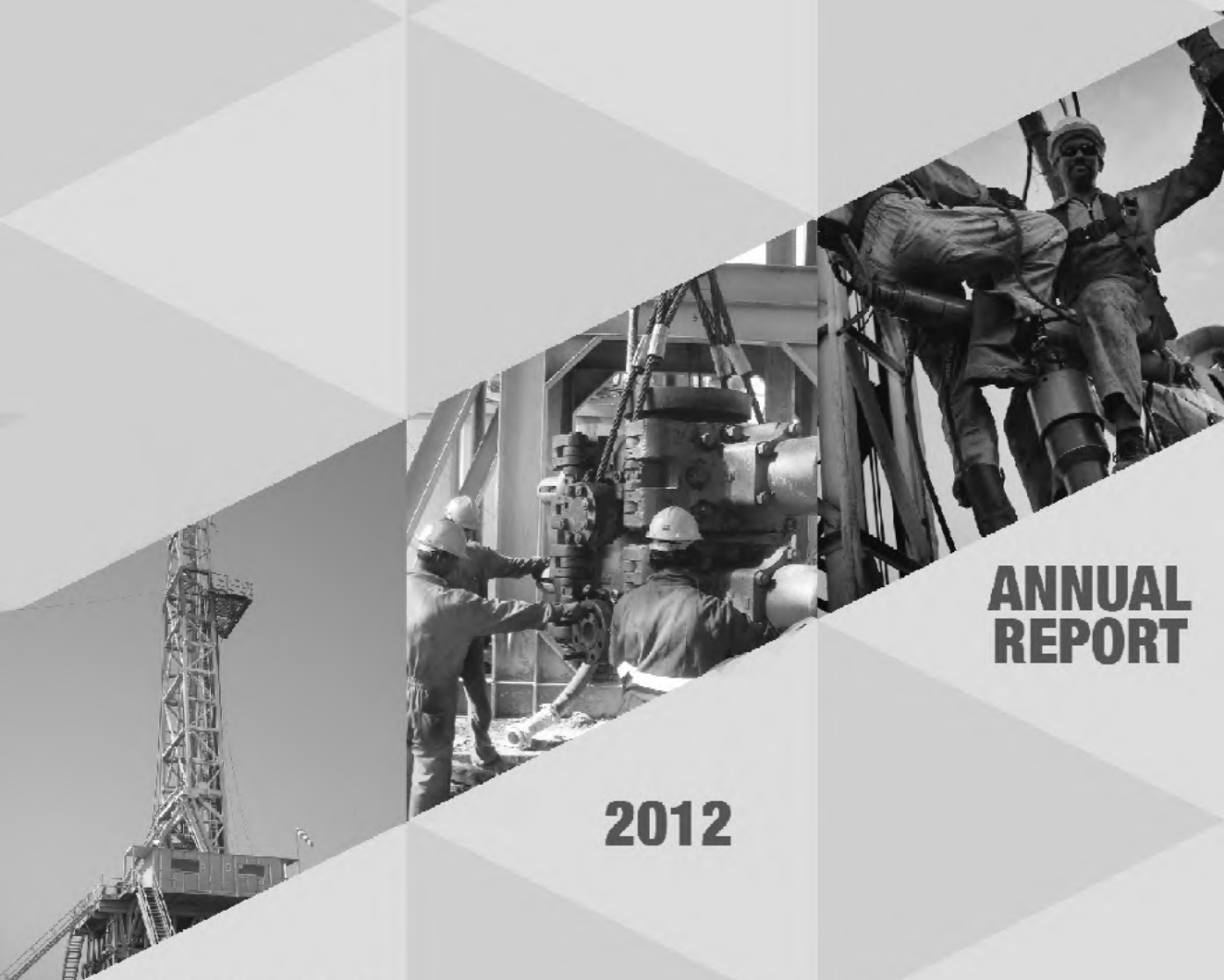




**INTERLINK
PETROLEUM
LIMITED**



**ANNUAL
REPORT**

2012

**WWW.INTERLINK
PETROLEUM.COM**

21ST ANNUAL REPORT
2011-2012

COMPANY PROFILE

BOARD OF DIRECTORS	:	Bikash Chandra Bora	-	Chairman
		Gopal Pallipuram Srinivasan (Appointed w.e.f. 14/10/2011)	-	Managing Director
		Vijay Misra	-	Director
		Lee Chye Cheng Adrian	-	Director
		Arun Agarwal	-	Director
		Lai Kai Jin Michael	-	Director
		Ambrose Gerard Corray (Appointed w.e.f. 14/10/2011)	-	Director
COMPANY SECRETARY	:	Parvinder Singh Arora		
STATUTORY AUDITORS	:	M/s. Shirish Desai & Co. Chartered Accountants Vadodara		
BANKERS	:	HDFC Bank Ltd., DBS Bank Ltd., Yes Bank Ltd., State Bank of India		
REGISTERED OFFICE	:	"211A, 2 nd Floor, Triveni Complex, E-10-12, Jawahar Park, Laxmi Nagar, New Delhi 110 092"		
CORPORATE OFFICE	:	H-20, Sector-27, NOIDA, Uttar Pradesh-201301		
SITE LOCATIONS	:	GCS Baola Village: Salajda Tal, Distt: Ahmedabad, Gujarat-382220		
		Modhera Block Village: Modhera, Distt: Mehsana, Gujarat-384212		

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NOTICE

Notice is hereby given that the **Twenty-first (21) Annual General Meeting** of the members of Interlink Petroleum Limited will be held on **Friday, the 21st day of September 2012 at 10.00 A.M.** at Assam Association, Srimanta Sankardeva Bhawan, A-14B, Qutub Institutional Area, Satsang Vihar Marg, New Delhi-110067 to transact the following business:

ORDINARY BUSINESS

1. Adoption of Annual Accounts for Financial Year 2011-2012

To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the statement of Profit & Loss as on that date together with the Reports of the Board of Directors and the Auditors' thereon.

2. Re-appointment of Mr. Vijay Misra as Director

To appoint a Director in place of Mr. Vijay Misra, who retires by rotation and being eligible, offers himself for re-appointment.

3. Re-appointment of Mr. Lee Chye Cheng Adrian as Director

To appoint a Director in place of Mr. Lee Chye Cheng Adrian, who retires by rotation and being eligible, offers himself for re-appointment.

4. Appointment of Statutory Auditors and fixation of their Remuneration

To appoint M/s. Shirish Desai & Co., Chartered Accountants, Vadodara, as statutory auditors and fix their remuneration.

"RESOLVED THAT M/s. Shirish Desai & Co., Chartered Accountants (Registration No. 112226W), be and is hereby appointed as Statutory Auditors of the Company, to audit the accounts for the financial year 2012-13 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

5. Appointment of Dr. Ambrose Gerard Corray as Director

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

"RESOLVED THAT Dr. Ambrose Gerard Corray, who was appointed as an Additional Director of the Company with effect from October 14, 2011 and holds office up to the ensuing Annual General Meeting of the Company in terms of Article 137 of Article of Association of the Company and Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determine by retire by rotation."

By Order of the Board of Directors of
INTERLINK PETROLEUM LIMITED

Sd/-

Parvinder Singh Arora
COMPANY SECRETARY

Place: NOIDA

Date: 13th August, 2012

Notes :

1. Shareholders are requested to bring their copy of Annual Report to the Meeting.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS/HER PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**

3. Corporate members intending to send their authorised representative to attend the meeting are requested to send to the company a certified copy of board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
4. Information about the directors proposed to be re-appointed, as required under the clause 49 IVG of the Listing Agreement, is given in the annexure to the Notice.
5. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. In case of joint holders attending the meeting, only such joint holder who is higher on the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company during the working hours.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from 13th day of September 2012 to 21st day of September 2012 (both days inclusive).
9. Members, who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.
10. Members holding shares in physical form are requested to notify changes in their address (if any) to the Registrar and Transfer Agent **M/s. Link Intime India Private Limited A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet Hall, New Delhi 110028.**
11. SEBI vide its Circular No. MRD/Dop/Cir-05/2009 dated 20th May 2009 has made it mandatory to submit PAN for registration of physical share transfer requests. Members holding shares in electronic form are, therefore, requested to submit a copy of their PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agent M/s. Link Intime India Private Limited.
12. Members seeking further information about the Accounts/Working of the Company/Subsidiary Company are requested to write to the Company Secretary at least 7 days in advance of the meeting so as to enable the Directors to keep the information ready for the meeting. They may also email their queries at parvinder@interlinkpetroleum.com at least seven days in advance.
13. The Company has already joined the Depository System and the ISIN for the equity shares of the Company is INE959G01016. Members holding shares in physical mode are requested to convert their holdings into Dematerialized mode.
14. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
15. Non-Resident Indian Members are requested to inform to M/s. Link Intime India Pvt. Ltd., immediately of any change in their residential status on return to India for permanent settlement.
16. Consequent upon the introduction of Section 109A of the Companies Act, 1956 shareholders are entitled to make the nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Transfer Agent, M/s. Link Intime India Pvt. Ltd.
17. To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with Link Intime India Pvt. Ltd, if shares are held in physical mode or with their DP, if the holding is in electronic mode.

ANNEXURES TO THE NOTICE

PURSUANT TO THE PROVISION OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE, THE INFORMATION REQUIRED TO BE GIVEN, IN CASE OF THE APPOINTMENT/REAPPOINTMENT OF THE DIRECTORS IS AS FOLLOWS:

Director's Name	Mr. Vijay Misra	Mr. Lee Chye Cheng Adrian	Dr. Ambrose Gerard Corray
Date of Birth	04 th December 1961	10 th August 1980	23 rd July 1957
Qualifications	Masters in Business Administration and Bachelors Degree in Law.	Bachelor of Finance	Honors Degree in Mechanical Engineering, Masters degree in Business Administration and Doctorate in Business
Nature of Expertise	Consultant and Advisor in Oil & Gas Fields	Financial Services, Energy, Food and Beverages & Hospitality	Oil & Gas (Exploration & Production)
Date of Appointment/ Reappointment	31 st July 2008	21 st August 2008	14 th October 2011
Name of other Companies in which he holds Directorships	<ul style="list-style-type: none"> • Doni Polo Infraconsultant Pvt. Ltd. • Manthan Pharma Pvt. Ltd. • Orchid Oil Pvt. Ltd. 	<ul style="list-style-type: none"> • Jit Sun Investment Pte. Ltd. • Advance Resources Australia Pty Ltd. • Moonshine Investments International Ltd. • Jit Sun Development Pte. Ltd. • Jit Sun Property Management Services Pte. Ltd. • Interlink Petroleum Pte. Ltd. • Loyz Oil Pte. Ltd. • Loyz Energy Ltd. • SB Oil Pte. Ltd. • Wisteria Hotel Management Pte. Ltd. 	<ul style="list-style-type: none"> • Loyz Oil Australia Pty. Ltd. • Loyz Oil New Zealand Ltd.
Name of the committees of Companies in which he holds memberships	NIL	Loyz Energy Ltd. Audit Committee	NIL
Shareholding in the Company	100000 Equity Shares*	NIL	1900 Equity Shares*

*Held in own name.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACTS, 1956 (ITEM NO 5)

With a view to broad base the Board, and to avail the expertise, the Board had inducted Dr. Ambrose Gerard Corray as an Additional Director on the Board of the Company, pursuant to section 260 of the Companies Act, 1956 read with article 137 of the Articles of Association of the Company, and he holds office till the conclusion of this Annual General Meeting of the Company.

Dr. Ambrose Gerard Corray holds an Honours degree in Mechanical Engineering from King's College, London University (United Kingdom), a Masters degree in Business Administration and a Doctorate in Business from Southern Cross University (Australia). Dr. Corray has a long track record in successfully nurturing new business across diverse sectors and has more than 26 years oil field experience through at management levels, notably with Schlumberger and General Electric. He successfully ran General Electric's pipeline inspection business in Asia. Currently he is the Chief Executive Officer in Loyz Energy Limited, A Promoter Company.

The Board recommends his appointment as a Director.

To the extent disclosed above, none of the Directors, except Dr. Ambrose Gerard Corray, is in any way concerned or interested in the said resolution.

DIRECTORS' REPORT

Dear Members,

The Directors of your Company take pleasure in presenting the Twenty First (21st) Annual Report of the Company for the financial year ended 31st March, 2012.

1. FINANCIAL PERFORMANCE

(In `)

Particulars	<u>2011-2012</u>	<u>2010-2011</u>
Total Income	6198431	7150541
Gross Profit / (Loss) before Interest, Bank Charges, Depreciation & Tax	(2305488)	(4683786)
Less : Interest & Bank Charges	27312	75628
Depreciation	68921	137085
Profit before Tax	(2401721)	(4896499)
<u>Less:</u> Provision for Taxation	Nil	Nil
Profit after Tax	(2401721)	(4896499)
Amount carried to Reserves	Nil	Nil
Equity Share Capital (Paid-up)	249212000	249212000
Net Worth	375165761	377624496

2. DIVIDEND

In view of the losses incurred during the financial year 2011-12, the Directors regret their inability to recommend any dividend for the year under review.

3. OPERATIONS

Drilling of new well in Modhera field

During the year, after obtaining all the requisite permissions and approvals from the concerned authorities, the Company drilled a new well (well#2) in Modhera field during the months of April-May 2011. The well was drilled as a deviated well to a measured depth of 1918.5 metres (vertical depth of 1717.4 metres). The well showed fluorescence while drilling and hence was taken up for testing subsequently.

Wells testing in Baola and Modhera fields

During the year, the company tested the newly drilled Modhera well # 2 in the months of August-September 2011. This was followed by well intervention in Modhera well # 1 in September-October 2011 and extended well testing at Baola well no. 8 in October-December 2011.

The testing at Modhera well # 2 remained inconclusive, since the formation was very tight and did not flow on perforation. Your Company has planned to conduct a hydraulic fracture job to assess the potential of the well. Similarly re-intervention and testing at Modhera well # 1 also remained inconclusive due to operational issues. Your Company has planned to re-enter the well and test the same after resolving the operational issues. Both these operations are likely to be performed in the current financial year.

The extended well test at Baola well #8 resulted in production of a very small quantity of oil. As the Company believes that the oil could be produced in commercial quantities from this well, it has planned to continue testing the well in the current financial year after carrying out a well stimulation job.

Flow testing of old wells in Baola Field

The Company also conducted flow tests in wells# 1 & 5 in the Baola field, to assess their potential for commercial production of the natural gas. After carrying out the test in different bean sizes, the Company has estimated that the wells together can produce about 8,000 cubic metres of gas per day together with water. As the result was encouraging, the Company is taking up work-over job to stop/reduce water production and achieve higher gas production from these wells. This will also help the Company in saving costs towards formation water handling and disposal. The gas produced during the flow test was found to be of very good quality as it contains about 98% Methane and a net calorific value of 8050 Kilo calories per cubic metre.

The Company is in discussion with the potential buyers to sell the gas on a medium to long term basis.

Refurbishment of Gas Collecting Station

The Company has started refurbishment of the facilities at the Gas Collection Station at Baola field to keep the facilities in operating condition in order to receive, process and dispose the gas (likely to be produced from well #1 and 5 after work over).

4. SIGNIFICANT DEVELOPMENTS

In the last year's report, the Company had informed that it had taken an External Commercial Borrowing (ECB) facility of USD 8 Million from DBS Bank Ltd., Singapore. The entire amount was drawn and utilized for the appraisal of the Baola and Modhera fields during the period under review. The Company has taken a further ECB of USD 1 million in the month of May 2012 from DBS Bank Ltd., Singapore to fund the activities in Modhera & Baola fields. The security for the borrowings has been provided entirely by M/s Jit Sun Investments Pte. Limited, a promoter group Company.

Your directors are also happy to announce that the Bombay Stock Exchange has upgraded the category from 'Trade to Trade' to 'B' category in which the shares of the Company were being traded.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, your directors confirm that:

- (i) In the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under schedule VI of the Companies Act 1956, have been followed and there are no material departures from same;
- (ii) the Directors have selected such accounting policies and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company as at 31st March 2012 and of the loss of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts on a 'going concern' basis.

6. DIRECTORS

Dr. Kenneth Gerard Pereira, resigned as the Managing Director of the Company with effect from 14th October 2011.

He also resigned from the directorship of the Company on 21st November 2011. The Board expresses its sincere appreciation for the valuable service rendered by him during his association with the Company.

Mr. Gopal Pallipuram Srinivasan, the then Chief Financial Officer was elevated as the Managing Director of the Company w.e.f. 14th October 2011, subject to the approval of the General Meeting & Central Government. The Shareholders' approval by way of Special Resolution was obtained in Extra-ordinary General Meeting held on 29th November 2011. The approval of the Central Government is expected shortly.

Further, Dr. Ambrose Gerard Corray, the then Chief Operating Officer has been inducted as an Additional Director on the Board with effect from 14th October 2011. He also stands relieved from the executive role in the Company. The Company has received a notice from a member, as required under section 257 of the Companies Act, 1956, along with the requisite deposit in respect of Dr. Ambrose Gerard Corray, proposing his appointment as the director of the Company.

Further, Mr. Lee Chye Cheng Adrian and Mr. Vijay Misra, the Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, they offer themselves for re-appointment, in accordance with the applicable regulations.

For the perusal of shareholders, a brief resume of the directors being proposed to be appointed/reappointed, their nature of expertise, their shareholding in the Company, the names of the Companies in which they hold directorships and details of the Committees in which they hold membership(s) or Chairmanship(s) are given as annexure to the notice, as required under clause 49 of the Listing Agreement. The Board recommends their reappointment.

7. SUBSIDIARY COMPANY

The Company has one wholly owned subsidiary namely Interlink Petroleum Pte. Limited incorporated under the laws of Singapore. The Company did not come across a suitable acquisition opportunity during the period under review, and accordingly no activity was made in the said Company during the period.

However, the efforts to acquire acquisition opportunity are being made on a continuous basis. The Directors' and Auditors' Report, and accounts of the subsidiary, along with the statement pursuant to the section 212 of the Companies Act, 1956, are made part of the Annual Report."

8. PERSONNEL

In terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

9. CORPORATE SOCIAL RESPONSIBILITY

Your Company stresses in fulfilling its Corporate Social Responsibility. That's why the Company, despite, no operational revenues, did following activities in compliance of its Corporate Social Responsibility policy, during the period under review:

- 1- Repair and maintenance of pond for rain water harvesting in Baola field; and
- 2- Repair and maintenance of road connecting villages- canal and the field. This road has been quite useful for the villagers in their daily life.

10. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard (AS-21) the audited consolidated financial statements are being provided in the Annual Report.

11. AUDITORS & AUDITORS' REPORT

The Auditors, M/s Shirish Desai & Co. (Firm Registration No. 112226W), hold office until the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The requisite certificate under section 224(1B) of the Companies Act, 1956 has been received from M/s Shirish Desai & Co. expressing their willingness and eligibility to accept office, if reappointed.

The Auditors' Report read with Notes to the Accounts referred to therein, are self-explanatory and therefore do not call for any further comments.

12. COST ACCOUNTS & AUDIT

The Cost Audit has been made mandatory for the Company Vide Ministry of Corporate Affairs Order No. F.No.52/26/CAB-2010 dated 2nd May 2011 with effect from 1st April 2011. In pursuance of the above order the Company has appointed M/s K L Jaisingh & Co. practicing cost accountants as Cost Auditor of the Company, for the FY 2011-12. Since no objection has been raised, by the Central Government the approval is deemed to be granted by the Central Government. The report of the Cost Auditor shall be submitted to the Central Government in due course.

13. INFORMATION PURSUANT TO CLAUSE 5A I & 5A II OF THE LISTING AGREEMENT

During the year there were no shares issued pursuant to public issue or any other issue that remained unclaimed and are lying in the escrow account. Further, there are no shares issued in physical form pursuant to public issue or any other issue which remained unclaimed. Accordingly, clause 5A I & 5A II of the listing agreement is not applicable on the Company.

14. PUBLIC DEPOSITS

During the year the Company did not accept any Public deposits within the meaning of section 58A of the Companies Act 1956.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

As required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, a statement showing particulars with respect to conservation of energy, technology absorption and Foreign Exchange earnings and outgoings is given in Annexure I.

16. CORPORATE GOVERNANCE REPORT & MANAGEMENT DISCUSSION & ANALYSIS

As required under clause 49 of the listing agreement, Management Discussion & Analysis and Corporate Governance Report form part of the Annual Report and are given as Annexure-II & Annexure-III respectively.

17. HEALTH SAFETY & ENVIRONMENT (HSE)

There were 20 meetings on HSE held at Baola and Modhera fields during the year, in addition to daily pre job safety briefing on day to day basis. There was no untoward accident and the overall operations were conducted safely. Due attention was given to environmental protection, compliance of applicable regulations, and all statutory approvals were timely obtained from the concerned authorities.

18. ACKNOWLEDGMENTS

Your Company is fortunate to have a team whose endeavors have laid a strong foundation for the success of the organization as a whole. Your Directors acknowledge the exemplary contribution made by the employees of the Company.

On behalf of the Company, we would also like to convey our thanks to Ministry of Petroleum and Natural Gas (MoPNG), Ministry of Environment and Forests (MoEF), Ministry of Corporate Affairs (MCA), Government of India, Directorate General of Hydrocarbons (DGH), the State Governments of Gujarat and Delhi, residents and the general public in and around the work areas for their gratitude support, cooperation and guidance. The Directors value the trust shown by the shareholders in their ability to operate and manage the Company. We expect that with the continuing encouragement and support of our shareholders, we shall be successful in achieving the desired objectives in the near future.

For and on behalf of the Board

Place : NOIDA

Date : 13th July, 2012

Bikash Chandra Bora
Chairman

ANNEXURE - I

INFORMATION AS PER SECTION 217(1)(e) READ WITH 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, 2012.

CONSERVATION OF ENERGY

(a) Energy conservation measures taken;

Improvement in energy efficiency is a continuous process at Interlink and conservation of energy is given high priority in all its areas of operations.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy;

Reduction in energy consumption measures includes usage of energy efficient light-bulbs/appliances wherever possible and turning off CPUs, Monitors, Printers, Fans, Lights and all other electrical points where-ever not in use. This helps in bridging the gap between energy demand and supply partly apart from savings in electricity bills.

(c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods; and

Higher awareness levels of energy consumption and savings derived through reduction of wastage.

(d) Form A

Not Applicable.

TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure in the Rules.

1. Research and Development (R & D)

(a) Specific areas in which R & D carried out by the Company:

None.

(b) Benefits derived as a result of above R & D:

None.

(c) Future Plan of Action

There is no plan for any R&D activity at present.

(d) Expenditure on R & D

	₹
(i) Capital	NIL
(ii) Recurring	NIL
(iii) Total	NIL
(iv) Total R & D expenditure as percentage of net sales	NIL

Technology Absorption, adoption and innovation

(a) Efforts in brief, made towards technology absorption, adoption and innovation

International Oilfield practices and latest technology are applied in areas of operation which is yielding results to the expected level in addition to helping the company in overall resource optimization.

(b) Benefits derived as a result of the above efforts

This has benefitted the company execution of petroleum operations without any time and cost overrun.

(c) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished

- (i) Technology imported
- (ii) Year of import
- (iii) Has technology been fully absorbed
- (iv) If not fully absorbed, areas where this has not taken place, reason therefore and future plans of actions:

No specific technologies imported.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to export initiatives taken to increase exports, development of new export markets for products and services and export plans.

Not applicable.

(b) Total Foreign Exchange used and earned

The Company's foreign exchange earnings during the year were Rs. Nil (Previous Year Rs. Nil). The total foreign exchange utilized during the year amounted to ₹698.62 lakhs (Previous Year ₹629.07 lakhs). Details of foreign Exchange earned and utilized during the year are given in Note No. 21 of the Notes on the Financial Statement.

For and on behalf of the Board

Place: NOIDA
Date : 13 July 2012

Bikash Chandra Bora
Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

The world has been facing impending slowdown in Europe and in US to a certain extent. The BRIC nations particularly China & India also witnessed slowdown in growth rates, due to inflationary pressures. Tough stand taken by the developed economies against Iran, i.e. one of the major oil producing nations, also was one of the reasons for the crude prices to remain high. During the period under review, Brent crude oil prices remained range bound between 90 to 123 USD per barrel.

The LNG prices mainly remained geographically oriented. However, they continued to be around 11 USD per MMBtu (Million Metric British Thermal Units), during the period under review. In India, the prices of the natural gas, produced in India, is mostly regulated by the Government of India. There is a continuous demand from the private sector gas producing companies, to raise the prices of natural gas to make their expenditure incurred in exploration & production of the gas from the blocks allotted to them, financially viable.

India continued to be dependent on imports of crude oil to the extent of 70% (approx.) of the total demand, putting strain on its foreign exchange reserves. In respect of gas also, the country is dependent on the LNG imports to the extent of 30% (approx.) of demand. The lower than expected gas production in India worsened the position and the gas demand had to be met with the costlier imports putting additional strain on the economy.

OPPORTUNITIES & CHALLENGES

The Company is expected to enter into Gas Sale & Purchase Agreement for the gas to be produced from its Baola field, in near future. The Company is in the advanced stages of conducting work-over jobs in the Baola well # 1 & Baola well # 5, to re-assess the potential of the gas production from these wells. Once the Company starts to supply gas to the potential buyers, it will also start earning revenues, paving the way for future work programs.

The Company also intends to conduct further tests to ascertain the oil reserves in its Baola & Modhera fields. The quality of oil, in the shallower depth in these two fields, is heavy in nature and poses various operational difficulties in producing them. Further such oil also fetches lesser price than the light oil. Hence, the production and disposal of heavy oil is challenging from an operational as well as economical point of view. Further, the extent of the reservoirs are also expected to be small. However, the Company is preparing to use non-conventional techniques to produce the heavy oil that would not only make it operationally easier but also reduce costs, if successful. The lower geological section of Modhera field may additionally contain lighter oil, the testing for which the Company is planning in due course. If the availability of the light oil is confirmed, then it may help the production of the heavy oil in admixture with it.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company is present in only one segment i.e. exploration, development and production of oil and gas fields. During the period under review, the Company drilled Modhera well # 2 and also conducted tests on wells in the Modhera and Baola fields. The well was drilled without any health, safety and environment issues, and without any cost overrun. As the tests remained inconclusive, further tests are being planned for both Modhera and Baola fields to determine the economic viability of the hydrocarbons present.

OUTLOOK

The positive indication of gas availability in the wells at Baola field, in addition to the recently announced oil discovery bodes, well for the future of the Company. The Company is hopeful that the anticipated results of further well tests and work-over programs that are scheduled for Baola and Modhera fields in the coming months, would corroborate with the positive expectations of the Management.

RISKS & CONCERNS

The Company is engaged in Exploration and Production of oil and gas, which is subject to the following risk factors:

- ❖ Exploration risks (*dry / low-producing wells, cost overruns*)
- ❖ Development risks (*blowouts, oil spills, fires, geological uncertainties, uncertainties in oil and gas estimates*) ❖
- ❖ Production risks (*adverse field operating conditions, availability of transportation infrastructure*)
- ❖ Possible requirement of additional equity and/or debt financing
- ❖ Fluctuations in oil and gas prices and demand

Interlink Petroleum Limited

- ❖ Exchange rate fluctuations
- ❖ Reliant on development of additional reserves to replace those produced and sold
- ❖ Environmental risks
- ❖ Country risks (*subject to government regulations relating to the oil and gas industry, government approvals for the extension of the term of certain contract areas*)
- ❖ Competition

However, the management does take all suitable measures and precautions in carrying out the operations in accordance with the best industry practices to ensure that all risks are properly identified and has put in place a risk management and mitigation plan.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has proper and adequate systems of internal control to ensure that assets are safeguarded and transactions are duly authorized, recorded and reported correctly.

The Internal Control system is further supplemented by Internal Audit conducted by an independent firm of Chartered Accountants. The Audit Committee also reviews the adequacy & effectiveness of Internal Audit function and takes corrective action(s), if required.

FINANCIAL AND OPERATIONAL PERFORMANCE

The details of the financial performance appear separately in the financial statements. For highlights, please refer to the Directors Report.

HUMAN RESOURCE

The Company enjoys the services of human resources highly committed towards the growth of the Company. The Company ensures the health & safety requirements of all concerned at its sites as well as offices. There is a unity of purpose among all the employees of the Company.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

The management is aware of all the HSE issues that are relevant to the conduct of oil and gas operations. Hence enforces complete regard to the HSE and ensures all its personnel, contractors and others associated with the operations adhere to the Company's HSE policies and norms to ensure safe and environmentally friendly operations. Due to this, the Company has thus far been successful in conducting its operations safely.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion & Analysis describing the company's views about the Industry's expectations/predictions objectives etc. may be forward looking within the applicable laws and regulations. Actual results may differ materially from those expressed in the statements. Company's operations may be affected with the demand and supply situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. Investors should bear the above, in mind.

For and on behalf of the Board

Place : NOIDA

Date : 13th July 2012

Bikash Chandra Bora
Chairman

CORPORATE GOVERNANCE REPORT

Interlink Petroleum Limited (the Company), constantly endeavors to surpass the standards of Corporate Governance, as envisaged by the law of the land. The Company is committed to adopt the best of the global practices on Corporate Governance. The philosophy of Corporate Governance as manifested in the Company's functioning is to achieve business excellence by enhancing long-term shareholders value and taking care of the interests of other stakeholders at large.

The Company's compliance of Corporate Governance guidelines of the listing agreement is as follows:

A. COMPOSITION OF THE BOARD AND RECORD OF OTHER DIRECTORSHIPS HELD

The Company is managed through the Board of Directors comprising of an optimum combination of Executive Director, NonExecutive Non-independent Directors and Independent Directors. The chairman of the Board is an Independent Director. The present Strength of the Board of Directors is seven, of which three are Independent Directors. The Board of the Company consists of eminent persons with considerable professional expertise and experience. The Independent Directors do not have any pecuniary relationship or transactions with the Company, promoters, and/or management that may affect their independence or judgment in any manner.

The composition of the Board of Directors of the Company is in conformity with the provisions of clause 49 of the listing agreement with the Stock Exchange. The structure of the Board and record of directorships held, Committee memberships and chairmanships of the Directors as on 31st March, 2012 is as under:

Name of the Director	Category	Designation	No. of other Directorships held	Total No. of Chairmanships /Memberships of Board Committees			Shareholding (as on 31 st March 2012)
				Chairmanship	Membership	Total	
Bikash Chandra Bora	Independent Director	Chairman	02	01	02	3	NIL
Mr. Gopal P. Srinivasan	Executive Director	Managing Director	00	00	00	00	NIL
Mr. Vijay Misra	Non- Executive Director (Promoter)	Director	00	00	00	00	100000*
Mr. Lee Chye Cheng Adrian	Non- Executive Director (Promoter)	Director	00	00	01	01	NIL
Mr. Arun Agarwal	Independent Director	Director	03	02	02	04	NIL
Mr. Lai Kai Jin Michael	Independent Director	Director	00	00	06	06	NIL
Dr. Ambrose Gerard Corray	Non- Executive Director	Additional Director	00	00	00	00	1900*

* Held in own name.

NOTES:

- I. The directorships held by Directors, as mentioned above, do not include alternate directorship, directorships of Foreign Companies, Companies incorporated pursuant to section 25 and Private Limited Companies, and directorship in Interlink Petroleum Ltd.
- II. In accordance with clause 49, Membership(s) / Chairmanship(s) of only the Audit Committee and Shareholder Investor Grievance Committee of all Public Limited Companies have been considered.
- III. None of the Directors is a member of more than 10 Board level Committees of public companies in which they are directors, nor is a chairman of more than 5 such Committees.

B. BOARD MEETINGS

1. Scheduling and selection of agenda items for Board Meetings

Months in which the Board meetings are to be held in the ensuing financial year are usually decided in advance and most Board Meetings are held at the Company's Corporate Office at NOIDA, Uttar Pradesh-201301, India. The agenda for each meeting, along with explanatory notes, are usually sent in advance to the Directors. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda.

2. Number of Board Meetings

The Board of Interlink Petroleum Limited met nine times on 26th April 2011, 27th June 2011, 11th July 2011, 09th August, 2011, 20th September 2011, 14th October 2011, 09th November, 2011, 13th January, 2012 and 13th February, 2012 during the financial year ended 31st March, 2012. The maximum time gap between any two meetings was not more than four months.

3. Record of the Directors' attendance at Board Meetings and AGM

Name of the Director	Number of Board Meeting held during the tenure of directors and attended by them		Attendance at last AGM held on 20 th September, 2011
Mr. Bikash Chandra Bora	9	9	Present
Mr. Gopal P. Srinivasan	3	3	Not Applicable
Dr. Kenneth Gerard Pereira	7	4	Present
Mr. Vijay Misra	9	9	Present
Mr. Lee Chye Cheng Adrian	9	5	Present
Mr. Arun Agarwal	9	9	Present
Mr. Lai Kai Jin Michael	9	0	Present
Dr. Ambrose Gerard Corray	3	1	Not Applicable

NOTE:i) Leave of absence was granted wherever required.

- ii) Mr. Arun Kumar Agarwal, Chairman of the Audit Committee attended the Annual General Meeting on behalf of the Audit Committee.
- iii) The Directors attending meeting by way of video conferencing are treated as present, however the directors attending the meeting by way of audio/teleconferencing are not treated as present.

4. Availability of information to the Board

The Board has unfettered and complete access to any information within the Company and to any employee of the Company. Necessary information as mentioned in Annexure-1A of Clause 49 of the listing Agreement has been regularly placed before the Board for its consideration.

C. BOARD LEVEL COMMITTEES

In accordance with the listing agreement with the stock exchange on Corporate Governance, the following Committees were in operation:

1. Audit Committee;
2. Shareholders' Grievance Committee ; and
3. Remuneration Committee.

Note : Other than the afore mentioned Committees, the Company also has an Issuance and Transfer of Share Committee.

1. AUDIT COMMITTEE

➤ Terms of reference

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted, consisting of three independent directors. All member of the Committee have experience in financial and oil & gas exploration & production sector.

The role and terms of reference of the Audit Committee inter-alia includes the following:

I. Role of the Audit Committee:

- a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment, re-appointment, replacement and removal of the statutory auditor (if required) and the fixation of audit fees to the Board and approving payment for any other services.
- c) Recommending appointment of Cost Auditor.
- d) Reviewing, with the management, the quarterly as well as annual financial statements before submission to the Board (or committee of directors -as applicable) for approval, with primary focus on matters required to be included in the Directors' Responsibility Statement, changes if any in accounting policies and practices and reasons thereof, compliance with accounting standards, major accounting entries involving estimates based on the exercise of the judgement by management, significant adjustments made in the financial statements arising out of audit findings, qualifications in draft auditors' report, related party transactions & the going concern assumption.
- e) Compliance with the listing and other legal requirements concerning financial statements.
- f) Reviewing with the management, performance of statutory auditors, internal auditors and adequacy of internal control systems.
- g) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency (if so appointed) monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up the step in this matter.
- h) Reviewing the adequacy of internal control system and internal audit function including the structure of internal audit department, staffing and seniority of official heading the department, reporting structure coverage and frequency of internal audit.
- i) Reviewing of Company's financial and risk management policies.
- j) Discussion with internal auditors, any significant findings and follow up thereon.
- k) 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.
- l) Reviewing reports furnished by internal auditors, discussion with internal auditors on any significant findings including Internal Control Weaknesses, if any, and ensuring suitable follow up there on.
- m) 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.
- n) To look into the reasons for substantial defaults in the payment to the depositor, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors (if any).

- o) Reviewing of management discussion and analysis of financial condition and results of operations.
- p) Reviewing of statement of significant related party transactions, submitted by management.
- q) Reviewing of management letters / letters of internal control weaknesses issued by the statutory auditors.
- r) Reviewing the appointment, removal and term of remuneration of internal auditor.

II. Disclosures to the Audit Committee:

- a) Related party transactions
 - Identification of related parties as per AS-18
 - Statement in summary form of transactions with related parties in the ordinary course of business
 - Statement of material individual transaction with related parties which are not in the normal course of business
 - Statement of Material transactions with related parties or others, which are not on arm's length basis.
- b) Compliance with Accounting Standards, and if in preparation of financial statements, a treatment different from that prescribed in an Accounting standard has been followed, management explanation as to why it believes such alternative treatment is more representative of the true and fair view of underlying business transaction.
- c) Money raised by way of issue (public issue, rights issue, preferential issues, etc.), the uses / application of funds by major category (capital expenditure, sales, working capital, etc.) on a quarterly basis as a part of their quarterly declaration of financial results.

➤ Composition and names of members

The Audit Committee, at present, consists of the following three Non-Executive Independent directors who are very senior professionals:

Chairman	:	Mr. Arun Kumar Agarwal
Members	:	Mr. Bikash Chandra Bora; and Mr. Lai Kai Jin Michael

➤ Meetings and attendance during the year

The Audit Committee met six times on 26th April 2011, 27th June 2011, 11th July 2011, 09th August 2011, 09th November 2011 and 13th February 2012 during the financial year ending 31st March, 2012. The maximum gap between any two meetings was not more than four months.

The attendance record of the Audit Committee members is given in following table:

Name of the Audit committee Members	Number of Audit Committee Meetings	
	Held during the tenure of Directors	Attended
Mr. Arun Kumar Agarwal	6	6
Mr. Bikash Chandra Bora	6	6
Mr. Lai Kai Jin Michael	6	0

Note: Leave of absence was granted, wherever required

2. SHAREHOLDERS' GRIEVANCE COMMITTEE (SGC)

This Committee was constituted specifically to review compliance of rules and regulations and to resolve the problems of shareholders. The Shareholders' Grievance Committee met from time to time during the previous year to improve procedure for resolving and grievances of the Shareholders.

➤ **Terms of reference**

Terms of reference of the Shareholders' Grievance Committee are as per the guidelines set out in the listing agreement with the Stock Exchange which inter-alia include looking into the investors complaints relating to non-receipt of Dividend /Change of address / Bonus Shares / Transfer of Shares / Dematerialization of Shares / Non receipt of Annual Report etc.

➤ **Composition and names of members**

The Shareholders' Grievance Committee is headed by an Independent director and presently consists of the following Independent directors as its members:

Chairman	:	Mr. BikashChandra Bora
Members	:	Mr. Arun Agarwal; and Mr. Lai Kai Jin Michael

➤ **Meetings and attendance during the year**

The Shareholders' Grievance Committee met four times 26th April 2011, 09th August 2011, 09th November 2011 & 13th February 2012 during the financial year ending 31st March, 2012.

The attendance record of the Shareholders' Grievance Committee members is given in following table:

Name of the SGC Members	Number of SGC Meetings	
	Held during the tenure of Directors	Attended
Mr. Arun Kumar Agarwal	04	04
Mr. Bikash Chandra Bora	04	04
Mr. Lai Kai Jin Michael	04	00

Note: Leave of absence was granted, wherever required

➤ **COMPLIANCE OFFICER**

The Compliance Officer for this Committee, at present, is Parvinder Singh Arora, Company Secretary of the Company.

➤ **SHAREHOLDERS' COMPLAINTS ETC. RECEIVED DURING THE FY- 2011-12**

A total of eight complaints were received during the year from 1st April, 2011 to 31st March, 2012 from Investors / Shareholders' relating to Transfer of Shares / Dematerialization of Shares / Annual Report / Issue of duplicate shares etc. All complaints have been resolved within the prescribed time limit.

3. REMUNERATION COMMITTEE

The Remuneration Committee of the Company comprises of three Independent Directors (Mr. BikashChandra Bora, Mr. Arun Agarwal and Mr. Lai Kai Jin Michael) and one promoter Director viz (Mr. Lee Chye Cheng Adrian). The Committee is chaired by an Independent Director Mr. BikashChandra Bora. The terms of reference and powers of the Remuneration Committee are as per the applicable laws. There was only one meeting held during the year, i.e. on 14th October 2011.

➤ **Remuneration Policy**

The Company pays sitting fee @ ` 5000/- each for every Board meeting attended and ` 2500/- each for every Committee of Directors meeting attended to the Director/member. Sitting fees is not paid to Executive Director(s).

➤ **Remuneration Paid To Non Executive Directors**

Following tables give the details of remuneration / sitting fees paid to directors, during the year from 1st April 2011 to 31st March 2012:

REMUNERATION TO NON-EXECUTIVE DIRECTORS

Sl. No.	Name of the Director	Sitting Fees
1	Mr. Bikash Chandra Bora	72500.00
2	Mr. Vijay Misra	72500.00
3	Mr. Lee Chye Cheng Adrian	25000.00
4	Mr. Arun Agarwal	97500.00
5	Mr. Lai Kai Jin Michael	0.00
6	Dr. Ambrose Gerard Corray	5000.00

REMUNERATION TO EXECUTIVE DIRECTORS

Name and Designation	Salary (Basic)	Perquisites & allowances	Retiral benefits	Commission/ Performance Linked incentive	Total	Stock Options
Dr. Kenneth Gerard Pereira, Managing Director	7*	Nil	Nil	Nil	Nil	Nil
Mr. Gopal P. Srinivasan, Managing Director	47,20,763	1,295,186	Nil	Nil	6,015,949	Nil

* Dr. Kenneth Gerard Pereira was paid ` 7/- (i.e. ` 1/- per month) as remuneration for the period he was the Managing Director of the Company.

Notes :

- 1- Mr. Gopal Pallipuram Srinivasan has been appointed as the Managing Director of the Company, w.e.f. 14th October 2011 for a period of three years. Earlier he was the Chief Financial Officer of the Company.
- 2- The remuneration mentioned above is remuneration paid to him in the capacity of Managing Director only.
- 3- The tenure of office of the Managing Director is for a period of 3 years and can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

D. GENERAL BODY MEETINGS

Details of the Annual General Meetings/ Extra Ordinary General Meetings held during previous three years:

Year	Date	Place	Time	Special Resolution (if any)
2008-09 (AGM)	01/09/2009	Auditorium of Vanija Bhavan, Central Gujarat Chambers of Commerce, Race Course, Vadodara- 390007	02.00 P.M.	- Appointment of Dr. Kenneth Gerard as the Managing Director.
EGM	16/02/2010	Sports & Cultural Club, 225A, Sector-15A, NOIDA, Distt. G.B.Nagar, U.P. 201 301	11:00 AM	- Preferential Issue of shares.
2009-10 (AGM)	03/09/2010	I. G Patel Seminar Hall, Faculty of Social Work of MS University Opp. Fatehgunj Post Office, Fatehgunj, Vadodara -390002	03.00 P.M	None

2010-11	20/09/2011	Assam Association, Srimanta Sankardeva Bhawan, A-14B, Outub Institutional Area, Satsang Vihar Marg, New Delhi-110067	10.30 AM	None
EGM	29/11/2011	Sports & Cultural Club, 225A, Sector-15A, NOIDA, Distt. G.B. Nagar, U.P. 201 301	11.00 AM	- Appointment of Mr. Gopal Pallipuram Srinivasan, as the Managing Director.

E. DISCLOSURES

1. **Related Party Transactions:** There have been no materially significant related party transactions, pecuniary transactions or relationships between Interlink Petroleum Limited and its Directors for the year ended March 31, 2012 except that have been indicated in noteno. 22 of the Notes on Financial Statements for the year ended 31st March 2012.
2. **Penalty:** The Company has complied with the applicable requirements of Stock Exchange and SEBI on matters related to Capital Markets. No penalty has been levied by Stock Exchange or SEBI during the last three years.
3. **Code of Conduct:** The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992. Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has already adopted a 'Code of Conduct for Prevention of Insider Trading'. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the said Regulations
4. **Compliance with Mandatory requirements of clause 49 of the listing agreement**
The Company has complied with each and every mandatory requirement of clause 49 of the Listing Agreement.
5. **Compliance with Non-Mandatory requirements of clause 49 of the listing agreement**
The Company has complied with following non-mandatory requirements of clause 49 of the Listing Agreement:
 - **Remuneration Committee:** The Company has a Remuneration Committee as indicated earlier.
 - **Audit Qualifications:** There were no Comments on the accounts of the Company by the Statutory Auditors.
6. The necessary certificate, pursuant to clause 49(V) of the listing agreement with Stock Exchanges, is annexed to this Annual Report.
7. The Company Secretary has a key role to play in ensuring the Board procedures and statutory compliances are properly followed.
8. **Management Discussion and Analysis Report** - The Management Discussion and Analysis is annexed to the Directors Report, forming part of the Annual Report.
9. **Compliance Certificate from the practicing Company Secretary:** Certificate from the practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated in clause 49 of the listing agreement, is annexed to this report.
10. Other disclosures as required under clause 49 has been given at relevant places in the Annual Report.

F. MEANS OF COMMUNICATION /INVESTORS' COMMUNICATION

- (i) The Board of Directors of the Company approves the quarterly, half yearly and yearly financial results in the format prescribed under Clause 41 of the Listing Agreement within forty five (45) days from the end of the respective period.
- (ii) The approved financial results are forthwith sent to the Bombay Stock Exchanges and are published in a National English newspaper. In addition, the same are published in local language newspaper, within forty-eight hours of approval thereof.
- (iii) The Company's financial results and official news releases are displayed on the Company's Website www.interlinkpetroleum.com.
- (iv) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company

G. INFORMATION TO SHAREHOLDERS

1. REGISTERED OFFICE

211A, 2nd Floor, Triveni Complex,
E-10-12, Jawahar Park, Laxmi Nagar,
New Delhi 110 092.
Phone:+91 11 32228364

2. ANNUAL GENERAL MEETING & RECORD / BOOK CLOSURE DATE

The date, time & venue of the next Annual General Meeting and the next Record/Book Closure date will be as per the Notice calling the Annual General Meeting.

3. FINANCIAL CALENDAR

The next Financial Year of the Company is 1st April, 2012 to 31st March, 2013 and tentative schedule for approval of the quarterly / half yearly / yearly financial results is given below:

Particulars	Month (Tentative)
Unaudited financial results for the 1 st quarter ending June 30, 2012	August 2012
Unaudited financial results for the 2 nd quarter and half year ending September 30, 2012	November 2012
Unaudited financial results for the 3 rd quarter and nine months ending December 31, 2012	February 2013
Audited Financial results for the financial year ending March 31, 2013	May 2013

4. WEBSITE

The address of the Company's web site is www.interlinkpetroleum.com.

5. DIVIDEND PAYMENT DATE

Not Applicable.

6. LISTING ON STOCK EXCHANGE

The Company is currently listed on the Bombay Stock Exchange Limited having a stock code 526512.

7. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the company. The ISIN number of the shares of Interlink Petroleum Limited is **INE959G01016**.

8. ANNUAL LISTING FEE

Annual Listing Fee for the year 2011-12 and 2012-13 has been paid to the above mentioned stock exchange. There are no arrears of listing fees till date.

9. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012

Following tables gives the data on shareholding according to types of shareholders and class of shareholders:

Distribution of the shareholdings according to type of shareholders

Particulars	March 31, 2012		March 31, 2011	
	No. of Shares	% (Holding)	No. Of Shares	% (Holding)
Promoters	13,346,100	53.55	13,346,100	53.55
Institutional Investors	100	0.00*	100	0.00*
Private Corporate bodies	910,480	3.65	828,860	3.33
Foreign Companies	65,20,000	26.16	65,20,000	26.16
Non-resident Indian (Non Repat & Repat)	205,800	0.83	1,96,900	0.79
Clearing Member	41,226	0.17	48,943	0.20
Others	3,897,494	15.64	39,80,297	15.97
Total	2,49,21,200	100.00	2,49,21,200	100.00

* Less than 0.01%

Distribution of shareholding according to the number of shares:

No. of Equity Shares held	March 31, 2012				March 31, 2011			
	No. of	% of	No. of	% of	No. of	% of	No. of	% of
	Shareholders		Shares	Share capital	Shareholders		Shares	Share capital
1-500	6761	85.27	1601565	6.43	6873	85.03	1653504	6.63
501-1000	732	9.23	556085	2.23	760	9.40	578539	2.32
1001-2000	208	2.62	309649	1.24	218	2.70	326899	1.31
2001-3000	66	0.83	168731	0.68	64	0.79	164846	0.66
3001-4000	33	0.42	120390	0.48	40	0.49	146800	0.59
4001-5000	22	0.28	104104	0.42	21	0.26	99800	0.40
5001-10000	45	0.57	363722	1.46	47	0.58	379350	1.52
10001 and above	62	0.78	21696954	87.06	60	0.74	21571462	86.57
TOTAL	7929	100.00	24921200	100	8083	100.00	24921200	100.00

10. MARKET PRICE DATA

Monthly high and low prices of equity shares of the Company traded at the Bombay Stock Exchange Limited are given below:

Month	BSE	
	High (Rs.)	Low (Rs.)
Apr 2011	54.35	41.80
May 2011	60.95	45.40
Jun 2011	53.40	42.00
Jul 2011	50.80	43.10
Aug 2011	48.35	38.05
Sep 2011	44.00	36.40
Oct 2011	42.00	36.50
Nov 2011	42.50	33.55
Dec 2011	34.90	23.45
Jan 2012	37.30	23.35
Feb 2012	37.00	26.75
Mar 2012	34.30	26.50

11. COMPANY'S SHARE PRICE MOVEMENT VIS A VIS BSE SENSEX

Price Movement



Historic Graph 01 st April 2011- st March 2012

12. DEMAT

The trading of Equity shares of your Company is in compulsory dematerialized mode. During the year, the Company managed to achieve 100% shares belonging to the promoters in dematerialised mode. Further, the Bombay Stock Exchange Limited also shifted the trading of shares from trade to trade category to B category.

The Company is encouraging its shareholders holding shares in physical mode to convert their holding in Physical form into Dematerialised form.

As on 31st March, 2012, 91.37 % (i.e. 22769899 Equity shares) of the total equity share capital were held in dematerialised form.

13. REGISTRAR AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM

The Company has appointed a common Registrar and Share Transfer Agent i.e. M/s Link Intime India Private Limited for share transfer, transmission, dematerialisation and other requests pertaining to their shares. Their contact details are as follows:

Link Intime India Private Limited

2nd Floor, A-40,
Naraina Industrial Area,
Phase II, Nr. Batra Banquet Hall,
New Delhi - 110028
Tel: 011-41410592/93/94
Email: delhi@linkintime.co.in
Fax: 011-41410591

14. SITE LOCATIONS

- i) GCS Baola, Village-Salajda Tal Distt. Ahmedabad, Gujarat
- ii) Modhera Block, Village-Modhera, Distt. Mehsana, Gujarat

15. ADDRESS FOR CORRESPONDENCE

Investors' Correspondence maybe addressed to the following: Mr. Parvinder Singh Arora

211A, 2nd Floor, Triveni Complex,
E-10-11-12, Jawahar Park,
Laxmi Nagar, New Delhi 110092
E-mail: parvinder@interlinkpetroleum.com
Fax: +91 1204052211

OR

To the Registrar and Share Transfer Agent i.e. Link Intime India Private Limited (address mentioned earlier).

For and on behalf of the Board

Place: NOIDA

Date : 13th July, 2012

Bikash Chandra Bora

Chairman

Annexures to the Corporate Governance Report

To
The Board of Directors
Interlink Petroleum Limited
211A, Triveni Complex,
E-10-12, Jawahar Park,
Laxmi Nagar, New Delhi 110092.

Annual Declaration of compliance of Code of Conduct by CEO

1. The Code of Conduct has been laid down for all the Board members and Senior Management and other employees of the Company.
2. The Code of conduct has been posted on website of the Company.
3. The Board members and senior management personnel have affirmed compliance with the code of conduct for the year 2011-12.

Place: NOIDA
Date : 13th July, 2012

Gopal Pallipuram Srinivasan
Chief Executive Officer

CERTIFICATE PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT

To
The Board of Directors
Interlink Petroleum Limited

We, the undersigned hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year 2011-12 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) 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.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2011-12 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) that there were no significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements; and
 - (iii) that there was no instance of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: NOIDA
Date : 13th July 2012

Gopal Pallipuram Srinivasan
Managing Director & Head Finance

CERTIFICATE OF PRACTICING COMPANY SECRETARY

We have examined the compliance of conditions of Corporate Governance by Interlink Petroleum Limited for the year ended on 31st March 2012 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 was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

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

For K J & Associates
Practicing Company Secretaries

(Rajesh Jha)
Partner
CP - 5737

Place : New Delhi
Date : 13th July 2012

AUDITORS' REPORT

To the Members of
INTERLINK PETROLEUM LIMITED

1. We have audited the accompanying financial statements of Interlink Petroleum Ltd. ('The Company'), which comprise the Balance Sheet, as at 31st March, 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the financial principles generally accepted in India, including accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
4. 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, 2012;
 - b) In the case of the Statement of Profit and Loss, 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.
5. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together 'The Order') issued by the Central Government Of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of information and explanation given to us, and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

As required by section 227(3) of the Act, 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 account 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 Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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

- V) Companies Act, 1956, subject to the qualifications & notes to accounts;
On the basis of the written representations received from the directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For, Shirish Desai & Co.
Chartered Accountants
(Firm Registration No.112226W)

Place : Noida
Date : 13th July, 2012

Dilip K. Thakkar
Partner
Membership No. 31269

ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 5 OF OUR REPORT OF EVEN DATE

- 1) In Respect of its fixed assets:
 - a. Proper records of fixed assets are maintained.
 - b. Physical verification of the fixed assets has been conducted by the management during the year. There were no discrepancies between physical count and fixed assets as per the records.
 - c. In our opinion and according to information and explanations given to us, the Company has not made any substantial disposals of its fixed assets during the year.
- 2) In Respect of its inventories
 - a. The Company is currently in the business of exploration and production of crude oil and natural gas from the oil and/or gas field(s), which is supplied as and when they are extracted. However, since there has been no production of either oil or gas during the year under review, there is no storage of crude oil or 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. According to information and explanations given to us, the Company had not taken any loan from companies, firm or other parties covered under register maintained under section 301 of the Companies Act, 1956. According, the provisions of clause 4(iii) (a) to (d) of the order are not applicable to the Company and hence not commenced upon.
 - b. The Company has granted loan to one Company and given deposit to one party covered in register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was `669,734/- and the year-end balance of loan and deposit granted to such parties was `669,734/-. The loan and deposit given is interest free and other terms and conditions on which the loan and deposit has been given are prima facie not prejudicial to the interest of the company and receivable at the end of the lease period. In respect of loan given, whether the amount has been received regularly or not cannot be commented upon, as there is no stipulation as regards to the repayment of the amount, However, deposit given is receivable at the end of the lease period.
- 4) In our opinion and according to the information and explanations given to us, there is 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 of the Company in respect of these areas.

Interlink Petroleum Limited

- 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, for purchase of services made in pursuance of contracts or arrangements entered in to the Register in pursuance of Section 301 of Act and exceeding the value of Rupees Five Lacs in respect of each party during the year, no comparison of prices could be made available as the services are of special nature. There were no purchase of goods and materials, and sale of goods, materials and services during the year.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section: 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- 7) In our opinion and according to the information and explanations given to us the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.
- 8) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.
- 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, and other material 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, 2012 for a period of more than six months from the date of becoming payable.
 - 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 and Cess were in arrears, as at 31st March, 2012.
- 10) The accumulated losses of the Company are not more than fifty percent of its net worth. The Company has incurred a cash loss of ₹ 18.93 Lacs during the financial year covered by our audit and in the immediately preceding financial year the Company had incurred cash loss of ₹ 43.45 Lacs. In arriving at the accumulated losses and net worth, we have considered the qualifications, which are quantifiable in the audit report of the years to which such losses pertain.
- 11) Based on our audit procedures and according to information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not issued any debentures till 31st March, 2012.
- 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.
- 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 in 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) According to the records of the Company, the Company has obtained term loan in form of External Commercial Borrowing (ECB). The Term Loan raised during the year have been applied for the purpose for which they were raised.
- 17) According to information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis, which has been used for long term purpose.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered 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 which is material in amount and nature has been noticed or reported during the course of our audit

For, Shirish Desai & Co.
Chartered Accountants
(Registration No.112226W)

Place : Noida
Date : 13th July, 2012

Dilip. K. Thakkar
(Partner)
Membership No. 31269

INTERLINK PETROLEUM LIMITED			
BALANCE SHEET AS AT 31ST MARCH, 2012			
	Notes	As At 31 st March, 2012(₹)	As At 31 st March, 2011(₹)
EQUITY AND LIABILITIES			
Share Holders' Fund			
Share Capital	1	249,256,000	249,256,000
Reserve & Surplus	2	126,347,314	128,638,142
		375,603,314	377,894,142
Non-Current Liabilities			
Long Term Borrowings	3	409,200,000	178,600,000
Long Term Provisions	4	3,000,000	-
		412,200,000	178,600,000
Current Liabilities			
Trade Payables	5	2,749,918	25,611,561
Other Current Liabilities	6	2,438,213	4,808,841
Short-Term Provisions	7	2,915,660	4,697,386
		8,103,791	35,117,788
Total		795,907,105	591,611,930
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8(I)	21,304,907	16,254,747
Intangible Assets	8(I)	10,165,201	-
Capital Work-In-Progress	8(II)	30,109,605	10,112,068
Intangible Assets Under Development	8(II)	646,549,505	334,987,213
Non-Current Investments	9	3,528	3,528
Long Term Loans and Advances	10	204,500	204,500
Other Non-Current Assets	11	110,008	438,484
		708,447,254	362,000,540
Current Assets			
Inventories	12	14,455,941	36,485,768
Cash and Cash Equivalents	13	67,826,038	182,074,440
Short- Term Loans and Advances	14	2,653,396	8,074,766
Other Current Assets	15	2,524,476	2,976,416
		87,459,851	229,611,390
Total		795,907,105	591,611,930
Significant Accounting Policies and the accompanying notes are an integral part of Financial Statements	1 to 27		
As Per Our Report of Even Date			
For Shirish Desai & Co.		For and On Behalf Of the Board of Directors	
<i>Chartered Accountants</i>			
(Firm Registration No: 112226W)			
Dillip K. Thakkar (Partner)	Gopal Srinivasan (Managing Director)	Vijay Misra (Director)	Parvinder Singh Arora (Company Secretary)
Membership No: 031269	DIN: 02011557	DIN: 00458031	
Place : NOIDA			
Date : 13th July, 2012			

INTERLINK PETROLEUM LIMITED			
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 ST MARCH, 2012			
	Notes	Year Ended 31 st March, 2012(₹)	Year Ended 31 st March, 2011(₹)
INCOME			
Revenue from Operation		Nil	Nil
Other Income	16	6,198,431	7,150,541
Total Revenue		6,198,431	7,150,541
EXPENDITURE			
Employee Benefits Expenses	17	2,537,621	3,130,095
Finance Costs	18	6,454	74,688
Depreciation & Amortization -Costs	19	397,397	465,561
Other Expenses	20	5,547,787	8,291,231
Total Expenses		8,489,259	11,961,575
Profit / (Loss) Before Tax		(2,290,828)	(4,811,034)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) for the year		(2,290,828)	(4,811,034)
Earning per equity share(Face value `10/- each)			
Basic & Diluted	26	(0.09)	(0.19)
Significant Accounting Policies and the accompanying notes are an integral part of Financial Statements	1 to 27		
As Per Our Report of Even Date			
For Shirish Desai & Co.		For and On Behalf Of the Board of Directors	
<i>Chartered Accountants</i>			
(Firm Registration No: 11 2226W)			
Dillip K. Thakkar	Gopal Srinivasan	Vijay Misra	Parvinder Singh Arora
(Partner)	(Managing Director)	(Director)	(Company Secretary)
Membership No: 031269	DIN: 02011557	DIN: 00458031	
Place : NOIDA			
Date : 13th July, 2012			

INTERLINK PETROLEUM LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012			
	Year Ended 31 st March, 2012 (₹)	Year Ended 31 st March, 2011 (₹)	
1. Cash Flows from Operating Activities			
Profit before tax	(2,290,828)	(4,811,034)	
<u>Adjustments to reconcile net profit before tax to cash provided by operating activities:</u>			
Depreciation and amortization cost	397,397	465,561	
(Profit) / Loss on sale of Assets	(120,000)	-	
Foreign exchange loss/(gain)	(18,663)	983	
Interest received	(3,345,669)	(7,119,968)	
Dividends received	(262)	(357)	
Interest expenses	-	-	
Operating profit before working capital changes	(3,087,197)	(66,533,781)	
(Increase)/ decrease in trade and other receivables	6,201,786	(8,224,136)	
(Increase)/ decrease in inventories	22,029,827	(36,485,768)	
Increase/(decrease) in trade payables	(24,013,997)	18,376,432	
Cash generated from operations	(1,160,409)	(37,798,287)	
Income taxes paid	-	-	
Net Cash Flow from Operating Activities	(1,160,409)	(37,798,287)	
2. Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(15,612,758)	(26,693,804)	
Addition in exploration and evaluation Assets	(331,559,829)	(218,774,211)	
Proceeds from sale of property, plant and equipment	120,000	-	
Interest received	3,345,669	7,119,968	
Dividend received	262	357	
Net Cash Flow from Investing Activities	(343,706,656)	(214,347,690)	
3. Cash Flows from Financing Activities			
Proceeds from issue of share capital	-	-	
Proceeds from long term borrowings	230,600,000	178,600,000	
Interest paid	-	-	
Foreign exchange (loss) / gain	18,663	(983)	
Net Cash Flow from Financing Activities	230,618,663	178,599,017	
Net Increase/(Decrease) in Cash and Cash equivalents	(114,248,402)	(73,546,960)	
Cash and cash-equivalents at beginning of year	182,074,440	255,621,400	
Cash and Cash-equivalents at end of year	67,826,038	182,074,440	
Notes:			
1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on "Cash flow statements".			
2. Amounts in bracket indicate a cash outflow or reduction.			
3. Cash & Cash equivalent at end of year includes ₹32,742,874/- (Previous year ₹30,892,874/-) as lien with the banks.			
As Per Our Report of Even Date			
For Shirish Desai & Co.		For and On Behalf Of the Board of Directors	
Chartered Accountants			
(Firm Registration No: 112226W)			
Dillip K. Thakkar	Gopal Srinivasan	Vijay Misra	Parvinder Singh Arora
(Partner)	(Managing Director)	(Director)	(Company Secretary)
Membership No: 031269	DIN: 02011557	DIN: 00458031	
Place: NOIDA			
Date: 13th July, 2012			

SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION:

The financial statements of Interlink Petroleum Limited (the Company) are prepared under historical cost convention and on accrual basis in accordance with Generally Accepted accounting Principles in India ("GAAP"). GAAP comprises mandatory accounting standards and applicable guidance notes issued by The Institute of Chartered Accountants of India as specified in the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. The accounting policies, in all material respects, have been consistently applied by the Company and are consistent with those used in the previous year.

b) PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS:

During the yearended 31st March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

c) USE OF ESTIMATES:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Though management believes that the estimates used are prudent and reasonable, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

d) FIXED ASSETS, DEPRECIATION AND AMORTIZATION:

- i. Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing and other financing costs including foreign exchange variation relating to acquisition of fixed assets, which take a substantial period of time to get ready for its intended use, are also included to the extent they relate to the period till such assets are ready to be put to use.
- ii. 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 amortization. Cost of intangible assets includes Borrowing and other financing costs including foreign exchange variation that are attributable to development of such intangible assets.
- iii. 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, to at least 95% of the cost of the assets except in respect of assets of value less than `5000 each, which are depreciated fully in the year of acquisition. Depreciation is charged pro-rata on monthly basis on all other assets from/up to the month of capitalization/sale, disposal and/or dismantle. Depreciation relating to assets attributable directly to qualifying asset including prospecting, exploration and development of oil and gas are capitalized as a part of Intangible Assets Under Development or Producing Properties, as the case may be.

e) VALUATION OF INVENTORIES:

- i. Natural Gas is extracted from field as and when supply of gas is to be made. So there is no storage of Gas available and hence there is no stock of natural gas.
- ii. The Closing Stock of Crude Oil in saleable condition is valued at Cost or Net Realizable Value less estimated selling costs, whichever is lower.
- iii. Stores and spares are valued at lower of cost or net realizable value.

f) PRELIMINARY EXPENSES:

Preliminary expenses in the nature of expenses for incorporation of the Company, public issue expenses and like expenses; are amortized over a period of five years.

g) EXPLORATION AND DEVELOPMENT COSTS:

- i. The Company is following "Full Cost Method" for allocating all costs incurred in prospecting, exploring and development of oil and gas including related finance cost and depreciation, 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. Exploration Costs involved in drilling and equipping exploratory and appraisal wells and cost of drilling exploratory type stratigraphic test wells are initially accounted for under the head Capital Work In Progress/Intangible Assets Under Development and are capitalized as Producing Properties when ready to commence commercial production.
- iii. All Costs relating to development wells, development type stratigraphic test wells and service wells are initially accounted for under the head Capital Work In Progress/Intangible Assets Under Development and are capitalized as Producing Properties when ready to commence commercial production.
- iv. Producing Properties are depleted using 'Unit of Production' method based on estimated proved developed reserves. Any changes in Reserves/Cost are dealt with prospectively. Hydrocarbon reserves are estimated by the Company following the International Reservoir Engineering Principles and are approved by the appropriate authority(s).

h) IMPAIRMENT OF TANGIBLE AND INTANGIBLE 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 and provide for impairment. 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:

- i. Revenue from sale of products is recognized on transfer of custody to customers. Any difference as of the reporting date between the entitlement quantities minus the quantities sold in respect of crude oil (including condensate) and gas, if positive is treated as inventory and, if negative, is adjusted to revenue by recording the same as liability.
- ii. Sales are inclusive of all statutory levies and taxes that are paid /payable to the government, based on the provisions under various laws and agreements governing Company's activities in the respective field/project.
- iii. Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent periods is recognized as Deferred Revenue in the year of receipt. The same is recognized as revenue in the year in which such gas is actually supplied for the quantity supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.
- iv. Revenue in respect of interest on delayed realizations is recognized when there is reasonable certainty regarding ultimate collection.
- v. All income and expenditure items that have material bearing on the financial statements are recognized on accrual basis. However insurance claims are not accounted on accrual basis but are accounted for as and when received.

k) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a

reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjust to reflect the current management estimate. 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 include interest and commitment charges on borrowings, amortisation of costs incurred in connection with the arrangement of borrowings, exchange differences to the extent they are considered a substitute to the interest cost and finance charges under leases.

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 EMPLOYEE BENEFITS:

- i. Short term employee benefits are recognized in the year during which the services have been rendered.
- ii. The Company has no policy for leave encashment.
- iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation under group gratuity scheme of Life Insurance Corporation of India at the end of each financial year.
- iv. All other post retirement benefits to employees are accounted on cash basis.

o) FOREIGN CURRENCY TRANSACTIONS:

- i. Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.
- ii. At each Balance Sheet date, foreign currency monetary items are translated using the average of exchange rates prevailing on the balance sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such items are determined.
- iii. Losses or gains relating to the loans/deferred credits utilized for acquisition of fixed assets are adjusted to the carrying cost of the relevant assets. All the other exchange differences arising on the settlement of monetary items or on reporting of monetary items at the rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognized as income or expenses in the period in which they arise.

p) SITE RESTORATION:

At the end of the producing life of a field, costs are incurred to restore the site back to its original position. The Company estimates, on a current basis, the cost (net of realisation) of site restoration and recognizes it as a liability and provides for the same. Such estimated cost of site restoration form part of the intangible assets under development or cost of producing properties, as the case may be, of the related asset. Any change in the value of the estimated liability is reflected as an adjustment to the provision and the corresponding intangible assets under development or producing property.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

NOTE 1: SHARE CAPITAL

	As At 31 st March, 2012(°)	As At 31 st March, 2011(°)
Authorised Shares: 30,000,000 (Previous Year 30,000,000) Equity Shares of `10 Each	300,000,000	300,000,000
Issued, subscribed and fully paid up shares: 24,921,200 (Previous Year 24,921,200) Equity Shares of `10 Each	249,212,000	249,212,000
Add: Amount originally paid up on forfeited shares	44,000	44,000
Total Issued, subscribed and fully paid up share capital	249,256,000	249,256,000

Other Information:

- Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
There is no change in the number of shares outstanding at the beginning and end of the financial year.
- Terms/Rights attached to the Equity Shares
The Company has only one class of equity shares having a par value of 10/- per share, each holder of equity shares is entitled to one vote per share.
- Shares held by holding/ultimate holding Company and/or their subsidiaries/associates
Out of equity shares issued by the Company, shares held by its holding Company, ultimate holding Company and their subsidiaries/associates are as below (Equity shares of 10 each fully paid up):

Name	Status	Type	As At		As At	
			31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
			Number	Percentage	Number	Percentage
Loyz Oil Pte Limited	Holding Company	Equity	10,310,000	41.37	10,310,000	41.37
Loyz Energy Limited	Ultimate Holding Company	Equity	2,595,400	10.41	2,595,400	10.41

- Details of Shareholders holding more than 5% shares in the Company
Equity shares of `10 each fully paid up:

Name	As At 31 st March, 2012		As At 31 st March, 2011	
	Number	Percentage	Number	Percentage
Loyz Oil Pte Limited	10,310,000	41.37	10,310,000	41.37
Loyz Energy Limited	2,595,400	10.41	2,595,400	10.41
Rosewell Services Sdn Bhd	2,500,000	10.03	2,500,000	10.03
Upstream Petroleum Pte Limited	1,520,000	6.10	1,520,000	6.10
Harbour Sun Enterprises Limited	1,500,000	6.02	1,500,000	6.02

e. For the period of five years immediately preceding the date of the balancesheet

Particulars	Current Year	Previous Year
Aggregate number & class of shares allotted as fully paid up pursuant to contract(s) without consideration being received in cash	Nil	Nil
Aggregate number & class of shares allotted by way of bonus shares	Nil	Nil
Aggregate number & class of share bought back	Nil	Nil

NOTE 2: RESERVE & SURPLUS

	As At 31 st March,2012()	As At 31 st March,2011()
Securities Premium Account:		
Balance as per last financial statements	219,243,200	219,243,200
At the close of the year	219,243,200	219,243,200
Profit & Loss Account:		
Balance as per last financial statements	(90,605,058)	(85,794,024)
Loss for the year	(2,290,828)	(4,811,034)
Net Surplus/(Deficit) in the Profit & Loss Account	(92,895,886)	(90,605,058)
Total Reserves & Surplus	126,347,314	128,638,142

NOTE 3: LONG-TERM BORROWINGS

	Non Current Portion		Current Maturities	
	As At	As At	As At	As At
	31 st March,2012()	31 st March,2011()	31 st March,2012()	31 st March,2011()
Unsecured - Term Loan				
Foreign currency loan from banks	409,200,000	178,600,000	Nil	Nil
Total	409,200,000	178,600,000	Nil	Nil

- During the year, the Company had drawn the balance amount of US\$ 4 Million (`173,160,000/-) against the facility agreement entered in to with DBS Bank Ltd, Singapore during the previous year for an External Commercial Borrowing (ECB) of US\$8 Million, for the purpose of carrying out further appraisal and development work in the Baola and Modhera Oilfields, in which the Company has 100% participating interest.
- Foreign currency loan carries interest at LIBOR plus 275 basis points. The loan agreement is for tenure of 5 years with 3 year moratorium for repayment of the principal amount that is repayable in 8 equal quarterly installments starting from the 39th month from the month of withdrawal. Interest is, however, payable every quarter as it falls due.
- The loan has been guaranteed by M/s Jit Sun Investments Pte Ltd., a group Company.
- The entire loan after adjusting for the foreign exchange loss of ` 58,920,000 (Previous year ` 1,480,000) on the principal amount has been shown under the head "Long Term Borrowings".
- The loan, interest and effect of foreign exchange fluctuation have been dealt with in the books of accounts in accordance with Accounting Standards.

NOTE 4: LONG-TERM PROVISIONS

	Non Current Portion		Current Maturities	
	As At	As At	As At	As At
	31 st March,2012(°)	31 st March,2011(°)	31 st March,2012(°)	31 st March,2011(°)
Provision for Site Restoration Fund	3,000,000	Nil	1,000,000	Nil
Total	3,000,000	Nil	1,000,000	Nil
Less : Shown under short term provisions	Nil	Nil	1,000,000	Nil
Total	3,000,000	Nil	Nil	Nil

During the year, the Company estimated a net amount of 5,000,000/- as liability towards site restoration of its oil & gas fields on a current basis. Of this, the Company had deposited 1,000,000/- (Previous year Nil) against the provision for site restoration fund (Baola & Modhera field) with State Bank of India under Site Restoration Fund Scheme, 1999 as required under the Production Sharing Contracts for the fields. The balance is reflected under Long/Short Term Provisions.

NOTE 5: TRADE PAYABLES

	As At	As At
	31 st March,2012(°)	31 st March,2011(°)
Trade payables for material, supplies & services	2,749,918	25,611,561
Total	2,749,918	25,611,561

- Trade payables include Nil (Previous Year Nil) due to Micro, Small and Medium Enterprises to the extent such parties have been identified by the management from available information.
- 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, 2012 (Previous year as at 31st March, 2011) together with interest paid / payable as required under the said Act, have not been given.

NOTE 6: OTHER CURRENT LIABILITIES

	As At	As At
	31 st March,2012(°)	31 st March,2011(°)
Interest accrued but not due	1,796,210	562,156
Retention money from contractors bill	-	762,599
Statutory liabilities	642,003	3,484,086
Total	2,438,213	4,808,841

Interest accrued but not due is on external commercial borrowing as per Note 3 (Long Term Borrowings) and the statutory liability is towards the tax deducted at source payable for the month of March, 2012.

NOTE 7: SHORT-TERM PROVISIONS

	As At	As At
	31 st March,2012(°)	31 st March,2011(°)
Provision for Site Restoration Fund	1,000,000	Nil
For Employee Benefits	-	2,287,260
Other Provisions	1,915,660	2,410,126
Total	2,915,660	4,697,386

- Provision towards employee benefits was Nil as the Company has obtained a policy under the group gratuity scheme from Life Insurance Corporation of India during the year. Accordingly, there is no year-end liability towards the same.
- Other provisions represent the estimate for various expenses in the normal course of business.

NOTE 8(0): FIXED ASSETS (TANGIBLE & INTANGIBLE)

DESCRIPTION	GROSS BLOCK ()			DEPRECIATION / AMORTISATION ()				NET BLOCK ()		
	AS AT 01-04-2011	ADDITION	DEDUCTIONS / ADJUSTMENTS	AS AT 31-03-2012	AS AT 01-04-2011	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	AS AT 31-03-2012	AS AT 31-03-2012	AS AT 31-03-2011
TANGIBLE ASSETS										
BUILDING	4,562,252	156,400	-	4,718,652	743,649	74,790	-	818,439	3,900,213	3,818,603
PLANT & MACHINERY	12,743,404	3,978,973	-	16,722,377	6,552,784	745,263	-	7,298,047	9,424,330	6,190,620
FURNITURE & FIXTURE	925,732	36,887	-	962,619	100,696	60,110	-	160,806	801,813	825,036
OFFICE EQUIPMENTS	2,108,558	37,850	-	2,146,408	165,527	111,095	-	276,622	1,869,786	1,943,031
COMPUTER	1,630,729	1,852,247	-	3,482,976	181,637	399,225	-	580,862	2,902,114	1,449,092
VEHICLE	3,408,678	652,640	806,037	3,255,281	1,380,313	274,354	806,037	848,630	2,406,651	2,028,365
TOTAL (A)	25,379,353	6,714,997	806,037	31,288,313	9,124,606	1,664,837	806,037	9,983,406	21,304,907	16,254,747
INTANGIBLE ASSETS										
SOFTWARE	-	11,212,971	-	11,212,971	-	1,047,770	-	1,047,770	10,165,201	-
TOTAL (B)	-	11,212,971	-	11,212,971	-	1,047,770	-	1,047,770	10,165,201	-
GRAND TOTAL	25,379,353	17,927,968	806,037	42,501,284	9,124,606	2,712,607	806,037	11,031,176	31,470,108	16,254,747
PREVIOUS YEAR	21,355,940	4,023,413	-	25,379,353	9,054,762	1,313,194	-	9,124,606	16,254,747	13,544,528

Note: since Baola field Production rights (Gross amount`1,535,000) have been fully amortised, the same is not reflected in the above table.

Impairment of Assets:- The Company has no independent Cash Generating Units (CGU) in the above assets and hence no impairment test has been carried out.

NOTE 8(II): WORK-IN-PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	AS AT 01-04-2011	ADDITION	TRANSFER TO ASSETS	UNSUCCESSFUL/ ADJUSTMENTS	AS AT 31-03-2012
EXPLORATORY WORK IN PROGRESS					
Baola Field	10,112,068	(1,476,675)	-	-	8,635,393
Modhera Field	-	20,484,293	-	-	20,484,293
Total (A)	10,112,068	19,007,618	-	-	29,119,686
OTHER ASSETS					
Civil Work	-	989,919	-	-	989,919
Total (B)	-	989,919	-	-	989,919
Total Work in Progress (C=A+B)	10,112,068	19,997,537	-	-	30,109,605
INTANGIBLE ASSETS UNDER DEVELOPMENT					
Baola Field	208,957,808	88,763,752	-	-	297,721,559
Modhera Field	126,029,405	222,798,541	-	-	348,827,946
Total (D)	334,987,213	311,562,292	-	-	646,549,505
Grand Total (C+D)	345,099,281	331,559,829	-	-	676,659,110
<i>Previous Year</i>	<i>126,325,070</i>	<i>218,774,211</i>	-	-	<i>345,099,281</i>

- As per Significant Accounting Policy (g), the Company, during the year, has capitalized as a part of "Capital Work in-Progress/Intangible Assets Under Development", an amount of ₹330,569,910/- (Previous year ₹218,774,211/-), being the expenses incurred in the appraisal/development of two oil/gas fields viz. Baola and Modhera.
- The amount will be transferred to "Producing Property" as and when the underlying fields are ready for commencement of commercial production.
- The above includes Borrowing cost (net of adjustment arising from interest earned on temporary cash surplus from External Commercial Borrowing) amounting to ₹2,582,861/- (Previous year Nil).
- As per Significant Accounting policies (o)(ii), foreign exchange fluctuation of ₹57,947,615/- (Previous year ₹1,480,000) pertaining to principal and interest amount of loan has been capitalized and included in Intangible Assets Under Development.
- As the oil and gas fields are still under appraisal, no impairment test has been carried out.

NOTE 9: NON-CURRENT INVESTMENTS

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Details of Investments		
1) Trade Investments:		
Investments in Mutual Fund (Quoted) At cost	3,460	3,460
UTI Master Shares 119 units - Market Value ₹3,052/- (Previous year ₹3,518/-)		
2) Non-Trade Investments: (Valued at Cost)		
Investments in Equity Instruments (Un-Quoted)	68	68
- At cost		
Interlink Petroleum Pte Ltd, WoS, Fully paid-up		
Total	<u>3,528</u>	<u>3,528</u>

NOTE 10: LONG TERM LOANS AND ADVANCES

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Security Deposit		
Secured, Considered Good.	204,500	204,500
Total	<u>204,500</u>	<u>204,500</u>

The security deposit is towards mining lease for Baola and Modhera fields and for telephone, which are deposited for a period more than 12 months. The management believes that these are fully realizable in the normal course of business.

NOTE 11: OTHER NON-CURRENT ASSETS

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Long term trade receivables	-	-
Preliminary expenses to the extent not written off	110,008	438,484
Total	<u>110,008</u>	<u>438,484</u>

Company does not have any long term trade receivables. Preliminary expenses represent the amount spent towards preferential issue of shares in the financial year 2009-10 that are due for write off in more than 12 months.

NOTE 12: INVENTORIES

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Stores and spares	14,455,941	36,485,768
Total	<u>14,455,941</u>	<u>36,485,768</u>

Stores and spares are balance lying in stock from the items procured for operations in Baola and Modhera and are stated at cost. The management believes that the realizable value of these stores and spares are not less than its cost.

NOTE 13: CASH AND CASH EQUIVALANTS

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Cash on hand	298	73,886
Balances with banks		
- in current accounts	1,643,032	4,829,155
- in deposit accounts exceeding 12 months maturity	-	-
- in margin money, security for guarantees and other commitments	32,742,874	30,892,874
- in bank deposit accounts	28,150,000	144,900,000
- Cheques, drafts on hand	100,000	-
- Interest accrued on deposits	5,189,834	1,378,526
Total	<u>67,826,038</u>	<u>182,074,440</u>

The Company has submitted bank guarantees worth `1,850,000/- (Previous year `29,871,775/-) to Government of India towards 10% of the annual budget for the year 2012-13, as required under the Production Sharing Contract for Modhera Field. The cumulative bank guarantee outstanding as on 31st March, 2012 is `31,721,775 (Previous year `29,871,775) towards which the Company has provided a lien on Term Deposits with bank worth `32,742,874/- (Previous year `30,892,874/-).

NOTE 14: SHORT TERM LOANS AND ADVANCES

	As At 31 st March, 2012 (`)	As At 31 st March, 2011 (`)
Due from Subsidiary	339,734	218,268
Deposits to related parties	330,000	330,000
Deposits - Others	150,000	295,000
Capital advances (Secured, considered good)	412,458	2,010,690
Loans and advances to employees	9,524	21,048
Pre paid expenses	1,411,680	5,195,093
Others (Recoverable from employees)	-	4,667
Less: Provision for doubtful advances	-	-
Total	2,653,396	8,074,766

- Due from subsidiary represents the amount spent by the Company for the maintenance of its wholly owned subsidiary, Interlink Petroleum Pte Limited, Singapore. The maximum balance at any time during the year is `339,734/- (Previous year `218,268/-).
- In the opinion of management, the current assets including loans, advances, deposits etc, is fully realizable in the normal course of business.
- The balances of loan & advances as appearing above are fully confirmed.

NOTE 15: Other Current Assets

	As At 31 st March, 2012 (`)	As At 31 st March, 2011 (`)
VAT credit receivable	-	94,952
Balance with the Govt. Authorities	2,196,000	2,552,988
Preliminary expenses to the extent not written off	328,476	328,476
Total	2,524,476	2,976,416

- The VAT credit of 94,952 has been realized to the extent of 46,016/- and the balance has been charged to Statement of Profit and Loss.
- Balance with Government Authorities represents the advance tax resulting from tax deducted at source from interest earned during the year and excess service tax deposited that is fully adjustable against future liability.

NOTE 16: OTHER INCOME

	Year Ended 31 st March, 2012 (`)	Year Ended 31 st March, 2011 (`)
Interest on Short term bank deposits	3,345,669	7,119,968
Dividend Income		
- from long term investments	262	357
- from current investments	-	-
Liability no longer required written back	2,390,032	-
Profit on sale of fixed assets	120,000	-
Other Income	342,468	30,216
Total	6,198,431	7,150,541

- Interest on Short term bank deposits represents interest earned on deposit from Company's own funds.
- The interest earned, on Short term bank deposit made from temporary cash surplus out of External Commercial Borrowings, during the year amounting to `9,879,702/- (Previous year `624,618/-) has been adjusted in Intangible Assets Under Development as per Accounting Standard 16 and is not included above (Refer Note 8 II).

NOTE 17: EMPLOYEE BENEFITS EXPENSES

	Year Ended 31 st March,2012(₹)	Year Ended 31 st March,2011(₹)
Salaries and wages	2,035,581	3,115,214
Staff welfare expenses	15,488	14,869
Remuneration to whole time directors	486,542	12
Total	2,537,621	3,130,095

- Salaries and wages include payment for gratuity to Life Insurance Corporation of India.
- The gross employee benefits expenses during the year is ₹25,948,947 (Previous year ₹31,692,284), of which an amount of ₹23,411,326 (Previous year ₹28,562,189) was capitalized as a part of "Intangible assets under development" (Refer Note 8(II)) as per accounting policy (Refer policy (g)) being the amount spend towards appraisal and development of the oil & gas fields.
- During the year on 14th October, 2011 Mr. Gopal Srinivasan appointed as a whole time director. The Company has made an application for approval of remuneration of whole time director. The approval is still awaiting.

NOTE 18: FINANCE COST

	Year Ended 31 st March,2012(₹)	Year Ended 31 st March,2011(₹)
Bank Charges	25,117	73,705
Net (gain) / loss on foreign currency transaction	(18,663)	983
Total	6,454	74,688

The above finance cost does not include an amount of ₹12,462,563/- (Previous year ₹624,618/-) incurred towards interest on External Commercial Borrowings (ECB) as the same has been capitalized (after adjusting interest earned on temporary cash surplus from External Commercial Borrowing of ₹9,879,702/- (Previous year ₹624,618/-)) as a part of "intangible assets under development" (refer note 8(II)) in terms of Accounting Standards -16, as the ECB was taken for the appraisal and development of oil & gas fields.

NOTE 19: DEPRECIATION & AMORTISED COST

	Year Ended 31 st March,2012(₹)	Year Ended 31 st March,2011(₹)
Depreciation of tangible assets	1,664,837	1,466,694
Amortisation of intangible assets	1,047,770	-
Total	2,712,607	1,466,694
Less : Capitalised as a part of Capital WIP	2,643,686	1,329,609
Net transferred to Profit and Loss account	68,921	137,085
Preliminary Expenses Written Off.	328,476	328,476
Total	397,397	465,561

NOTE 20: OTHER EXPENSES

	Year Ended 31 st March,2012(₹)	Year Ended 31 st March,2011(₹)
Advertisement Expenses	88,610	58,134
AGM, EGM & Other Meeting Expenses	494,878	655,710
Auditor's Remuneration		
- For audit fees	42,135	30,000
- For other services	8,959	26,441
Business Development Expenses	1,487,273	263,646
Conveyance Expenses	5,012	14,186
Director Sitting fees	272,500	232,500

Guest house related expenses	157,827	177,665
Insurance Expenses	22,986	90,481
Legal & Professional Expenses	572,957	2,631,903
Office Expenses	173,778	457,096
Postage & Courier Expenses	12,880	25,923
Power & Fuel	9,496	42,352
Printing & Stationery Expenses	42,860	43,187
Rent Rates & Taxes	229,037	561,015
Repair & Maintenance	23,288	29,005
ROC Expenses	181,251	94,646
Telecommunication Expenses	89,561	128,604
Travelling Expenses (Including Foreign Travelling)	1,530,625	2,587,953
Vehicle Expenses (Including Insurance)	101,874	140,784
Total	5,547,787	8,291,231

The gross other expenses incurred during the year is `22,142,535 (Previous year `30,409,004), of which an amount of `16,594,748 (Previous year `22,117,773) was capitalize as a part of "Intangible assets under development" as per accounting policy (refer policy (g)) being the amount spend towards appraisal and development of the oil & gas fields.

NOTE 21:

Additional information pursuant to paragraph 3 and 4 of Part II of Schedule VI of the Companies Act, 1956:

	2011-12()	2010-11()
Expenditure in foreign currency:		
Purchase of Stores & Consumables	5,716,189	33,061,860
Foreign Traveling Costs	1,434,824	940,677
Purchase of Capital Goods	13,693,637	-
Paid for Consultancy & Others	49,016,864	28,904,348
Total	69,861,514	62,906,885
Earnings in foreign currency	NIL	NIL
	2011-12()	2010-11()
Value of import on CF basis in respect of:		
Store Spares	5,716,189	33,061,860
Capital Goods	13,693,637	-
Total	19,409,826	33,061,860
Payment to audit ors:		
Audit fees	33,708	20,000
Tax Audit Fees	8,427	10,000
Other Services*	150,118	200,000
Total	192,253	230,000

*Includes `141,159/- (previous year `173,559/-) paid for certification work as required under various laws, a part of which is transferred to intangible assets under development in line with the underlying expenditure.

NOTE 22: RELATED PARTY DISCLOSURE

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

- List of related parties where control exists and related parties with whom transactions have taken place and relationships:

SI No.	Name of Related Party	Relationship
1	Loyz Energy Limited	Group Companies
2	Jit Sun Investments Pte Limited	
3	Loyz Oil Pte Limited	
4	Interlink Petroleum Pte. Limited	
5	Gopal Pallipuram Sri nivasan	Key Managerial
6	Kenneth Gerra d Pereira	Personnel
7	Vijay Misra	Directors & Relatives
8	Sushila Devi	

ii. Transaction during the year with related parties.

Nature of Transaction	2011-12 (₹)	2010-11 (₹)
Lease rent for office premises Sushila Devi	1,600,370	1,536,700
Deposit for lease of office premises Sushila Devi	330,000	330,000
Managing Director's Remuneration Gopal Pallouram Srinivasan Kenneth Gerard Pereira	*5,031,029 7	- 12
Investment/Loans to Subsidiary Interlink Petroleum Pte Ltd., Singapore	121,466	11,120

*The amount referred from date of appointment, i.e. 14th October, 2011

NOTE 23:

The Company is engaged in extraction of crude oil and natural gas only and therefore there is only one reportable segment in accordance with Accounting Standard 17 on Segment Reporting.

NOTE 24:

The Company has substantial carried forward losses and unabsorbed depreciation. Hence, there is no deferred tax liability arising at the end of the current year. Further, in view of the absence of virtual certainty of realization of carried forward tax losses, the Company has not created any deferred tax asset as envisaged in Accounting Standard-22 on Taxes of Income issued by The Institute of Chartered Accountants Of India.

NOTE 25:

- Value of Raw Materials Consumed: NIL
- Value of Store & Spares Consumed:

	2011-2012		2010-2011	
	Value (₹)	%	Value (₹)	%
Imported	15,244,511	61.22	10,689,806	56.97
Indigenous	9,658,315	38.78	8,073,634	43.03
Total	24,902,826	100.00	18,763,440	100.00

NOTE 26: EARNINGS PER SHARE (EPS)

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Profit / (Loss) after tax	(2,290,828)	(4,811,034)
Net Profit / (Loss) for calculation of basic EPS	(2,290,828)	(4,811,034)
Number of equity shares	24,921,200	24,921,200
Number of equity shares for calculation of basic EPS	24,921,200	24,921,200
Earning Per Share (EPS)	(0.09)	(0.19)

NOTE 27: PREVIOUS YEAR FIGURES

Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

As Per Our Report of Even Date

For Shirish Desai & Co.

Chartered Accountants

(Firm registration No: 112226W)

Dillip K. Thakkar

(Partner)

Membership No: 031269

For and On Behalf Of the Board of Directors

Gopal Srinivasan

(Managing Director)

DIN: 02611557

Vijay Misra

(Director)

DIN: 00458031

Parvinder Singh Arora

(Company Secretary)

Statement pursuant to section 212 of the Companies Act, 1956 relating to Subsidiary Company

1. Name of the Subsidiary : Interlink Petroleum Pte. Ltd.
2. Financial year/period ended on : 31st March, 2012
3. No. of equity shares held by Interlink Petroleum Limited in the Subsidiary : 2 (Two) Equity Shares of SGD \$ 1 each fully paid
4. Extent of interest of Interlink Petroleum Limited in the capital of the subsidiary : 100%
5. Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Interlink Petroleum Limited, and is not dealt with in the Company's accounts
 - (a) Profit / (Loss) for the financial year ended on 31st March, 2012 of the subsidiary : SGD \$ (2,739), [` (110,892)]
 - (b) Profit / (Loss) for the previous financial years of the subsidiary since it became subsidiary of Interlink Petroleum Limited. : SGD \$ (7,847), [` (265,856)]
6. Net Aggregate amount of Profit / (Loss) of the subsidiary so far as dealt with or provision is made for those Profit / (Loss) in Interlink Petroleum Limited's accounts.
 - (A) For the subsidiary's financial year ended on 31st March, 2012 : NIL
 - (b) For its previous financial years since it became the subsidiary of Interlink Petroleum Limited : NIL

Note: Figures in Indian Rupees, wherever it appears in respect of overseas subsidiary, have been given only as additional information.

INFORMATION PERTAINING TO SUBSIDIARY COMPANY

Sr. No.	Particulars	
1	Share Capital	68
2	Reserves & Surplus	(437,609)
3	Total Assets	14,650
4	Total Liabilities	14,650
5	Total Investment	NIL
6	Turnover	NIL
7	Profit/(Loss) Before Taxation	(110,892)
8	Provision for Taxation	NIL
9	Profit/(Loss) After Taxation	(110,892)
10	Proposed Dividend	NIL

Conversion rate as on March 31, 2012 SGD 1 = ` 41.3369/-

As Per Our Report of Even Date

For Shirish Desai & Co.

Chartered Accountants

(Firm Registration No: 112226W)

For and On Behalf Of the Board of Directors

Dillip K. Thakkar

(Partner)

Membership No: 031269

Gopal Srinivasan

(Managing Director)

DIN: 02011557

Vijay Misra

(Director)

DIN: 00458031

Parvinder Singh Arora

(Company Secretary)

Place : NOIDA

Date : 13th July, 2012

AUDITORS' REPORT

To the Board of Directors of
INTERLINK PETROLEUM LIMITED

We have audited the attached consolidated Balance Sheet of Interlink Petroleum Ltd. ('The Company') and its subsidiary Interlink Petroleum Pte Ltd., ('The Group') which comprise the Consolidated Balance Sheet, as at 31st March, 2012 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Company for the year ended on that date annexed thereto. These statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements, based on our Audit.

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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary, Interlink Petroleum Pte. Ltd., Singapore, whose financial statement represents the Total Assets of ` 14,650/- as at 31st March 2012 and the Total Revenue of ` NIL and the Loss amounting to ` 110,892/- for the year ended on that date, considered in Consolidated Financial Statements and have relied upon the audited accounts provided by the Company.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and the separate audited balance sheet of subsidiary which have been included in the consolidated Financial Statements.

Based on our audit, and according to the information and the explanations given to us, we are of the opinion that the aforesaid consolidated financial statements give 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, 2012;
- b. In the case of the Statement Profit and Loss, 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
(Firm Registration No.112226W)

Place : Noida
Date : 13th July, 2012

Dilip. K. Thakkar
(Partner)
Membership No. 31269

INTERLINK PETROLEUM LIMITED			
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012			
	Notes	As At 31 st March, 2012(₹)	As At 31 st March, 2011(₹)
EQUITY AND LIABILITIES			
Share Holders' Fund			
Share Capital	1	249,256,000	249,256,000
Reserve & Surplus	2	125,909,761	128,368,496
		375,165,761	377,624,496
Non-Current Liabilities			
Long Term Borrowings	3	409,200,000	178,600,000
Long Term Provisions	4	3,000,000	-
		412,200,000	178,600,000
Current Liabilities			
Trade Payables	5	2,749,918	25,611,561
Other Current Liabilities	6	2,438,213	4,808,841
Short-Term Provisions	7	3,028,062	4,761,877
		8,216,193	35,182,279
Total		795,581,954	591,406,775
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8(I)	21,304,907	16,254,747
Intangible Assets	8(I)	10,165,201	-
Capital Work-In-Progress	8(II)	30,109,605	10,112,068
Intangible Assets Under Development	8(II)	646,549,505	334,987,213
Non-Current Investments	9	3,460	3,460
Long Term Loans and Advances	10	204,500	204,500
Other Non-Current Assets	11	110,008	438,484
		708,447,186	362,000,472
Current Assets			
Inventories	12	14,455,941	36,485,768
Cash and Cash Equivalents	13	67,826,106	182,074,508
Short-Term Loans and Advances	14	2,328,245	7,869,611
Other Current Assets	15	2,524,476	2,976,416
		87,134,768	229,406,303
Total		795,581,954	591,406,775
Significant Accounting Policies and the accompanying notes are an integral part of Financial Statements	1to26		
As Per Our Report of Even Date			
For Shirish Desai & Co.		For and On Behalf Of the Board of Directors	
Chartered Accountants (Firm Registration No: 11 2226W)			
Dillip K. Thakkar (Partner)	Gopal Srinivasan (Managing Director)	Vijay Misra (Director)	Parvinder Singh Arora (Company Secretary)
Membership No: 031269	DIN: 0201 1557	DIN: 00458031	
Place : NOIDA ^{IN}			
Date : 13 July, 2012			

INTERLINK PETROLEUM LIMITED			
CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012			
	Notes	Year Ended 31 st March, 2012(₹)	Year Ended 31 st March, 2011(₹)
INCOME			
Revenue from Operation		Nil	Nil
Other Income	16	6,198,431	7,150,541
Total Revenue		6,198,431	7,150,541
EXPENDITURE			
Employee Benefits Expenses	17	2,537,621	3,130,095
Finance Costs	18	8,649	76,611
Depreciation & Amortisation Costs	19	397,397	465,561
Other Expenses	20	5,656,485	8,374,773
Total Expenses		8,600,152	12,047,040
Profit / (Loss) Before Tax		(2,401,721)	(4,896,499)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit / (Loss) for the year		(2,401,721)	(4,896,499)
Earning per equity share (Face value ₹ 10/- each)			
Basic & Diluted		(0.10)	(0.19)
Significant Accounting Policies and the accompanying notes are an integral part of Financial Statements	1 to 26		
As Per Our Report of Even Date			
For Shirish Desai & Co. <i>Chartered Accountants</i> (Firm Registration No: 112226W)		For and On Behalf Of the Board of Directors	
Dillip K. Thakkar (Partner) Membership No: 031269	Gopal Srinivasan (Managing Director) DIN: 02011557	Vijay Misra (Director) DIN: 00458031	Parvinder Singh Arora (Company Secretary)
Place : NOIDA			
Date : 13th July, 2012			

INTERLINK PETROLEUM LIMITED			
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012			
	Year Ended 31st March, 2012(₹)	Year Ended 31st March, 2011(₹)	
1. Cash Flows from Operating Activities			
Profit before tax.	(2,401,721)	(4,866,499)	
<i>Adjustments to reconcile net profit before tax to cash provided by operating activities:</i>			
Depreciation and amortization cost	397,397	465,561	
(Profit) / Loss on sale of Assets.	(120,000)	-	
Foreign exchange loss/(gain)	(18,663)	983	
Interest received	(3,345,669)	(7,119,968)	
Dividends received	(262)	(357)	
Interest expenses	-	-	
Consolidated Adjustment	(57,014)	(3,790)	
Operating profit before working capital changes	(3,144,211)	(6,657,571)	
(Increase)/ decrease in trade and other receivables	6,321,783	(8,224,136)	
(Increase)/ decrease in inventories	22,029,827	(36,485,786)	
Increase/ (decrease) in trade payables	(23,966,087)	18,376,432	
Cash generated from operations	(1,160,409)	(37,883,542)	
Income taxes paid	-	-	
Net Cash Flow from Operating Activities	(1,160,409)	(37,887,542)	
2. Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(15,612,758)	(26,693,804)	
Addition in exploration and evaluation Assets	(331,559,829)	(218,774,211)	
Proceeds from sale of property, plant and equipment	120,000	-	
Interest received	3,345,669	7,119,968	
Dividend received	262	357	
Net Cash Flow from Investing Activities	(343,706,656)	(214,258,367)	
3. Cash Flows from Financing Activities			
Proceeds from issue of share capital	-	-	
Proceeds from long term borrowings	230,600,000	178,600,000	
Interest paid	-	-	
Foreign exchange (loss) / gain	18,663	(983)	
Net Cash Flow from Financing Activities.	230,618,663	178,599,017	
Net Increase/(Decrease) in Cash and Cash equivalents	(114,248,402)	(73,546,892)	
Cash and cash-equivalents at beginning of year.	182,074,508	255,621,400	
	67,826,106	182,074,508	
Notes:			
1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on "Cash flow statements".			
2. Amounts in bracket indicate a cash outflow or reduction.			
3. Cash & Cash equivalent at end of year includes ₹32,742,874/- (Previous year ₹30,892,874/-) as lien with the banks.			
As Per Our Report of Even Date			
For Shirish Desai & Co.		For and On Behalf Of the Board of Directors	
<i>Chartered Accountants</i>			
(Firm Registration No: 112226W)			
Dillip K. Thakkar	Gopal Srinivasan	Vijay Misra	Parvinder Singh Arora
(Partner)	(Managing Director)	(Director)	(Company Secretary)
Membership No: 031269	DIN: 02011557	DIN: 00458031	
Place: NOIDA			
Date : 13th July, 2012			

SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION:

The financial statements of Interlink Petroleum Limited (the Company) are prepared under historical cost convention and on accrual basis in accordance with Generally Accepted Accounting Principles in India ("GAAP"). GAAP comprises mandatory accounting standards and applicable guidance notes issued by The Institute of Chartered Accountants of India as specified in the Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. The accounting policies, in all material respects, have been consistently applied by the Company and are consistent with those used in the previous year.

b) PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS:

During the year ended 31st March, 2012 the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

c) PRINCIPLES OF CONSOLIDATION:

- i. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Holding Company. For the purpose of CFS uniform accounting policies are adopted by the group.
- ii. The financial statements of the group have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-Company balances and transactions and unrealized profits or losses have been fully eliminated. For translation of non-integral foreign operations, both monetary and non-monetary assets and liabilities are translated using closing rate as on the balance sheet date. The income and expenditure are translated using average rate during the year. The resulting exchange difference is accumulated in the foreign currency translation reserve until the disposal of the net investment.

d) USE OF ESTIMATES:

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Though management believes that the estimates used are prudent and reasonable, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

e) FIXED ASSETS, DEPRECIATION AND AMORTISATION:

- i. Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing and other financing costs including foreign exchange variation relating to acquisition of fixed assets, which take a substantial period of time to get ready for its intended use, are also included to the extent they relate to the period till such assets are ready to be put to use.
- ii. 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 amortization. Cost of intangible assets includes Borrowing and other financing costs including foreign exchange variation that are attributable to development of such intangible assets.
- iii. 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, to at least 95% of the cost of the assets except in

respect of assets of value less than ₹5000 each, which are depreciated fully in the year of acquisition. Depreciation is charged pro-rata on monthly basis on all other assets from/up to the month of capitalization/sale, disposal and/or dismantle. Depreciation relating to assets attributable directly to qualifying asset including prospecting, exploration and development of oil and gas are capitalized as a part of Intangible Assets Under Development or Producing Properties, as the case may be.

f) VALUATION OF INVENTORIES:

- i. 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.
- ii. The Closing Stock of Crude Oil in saleable condition is valued at Cost or Net Realizable Value less estimated selling costs, whichever is lower.
- iii. Stores and spares are valued at lower of cost or net realizable value.

g) PRELIMINARY EXPENSES:

Preliminary expenses in the nature of expenses for incorporation of the Company, Public issue expenses and like expenses; are amortized over a period of five years.

h) EXPLORATION AND DEVELOPMENT COSTS:

- i. The Company is following "Full Cost Method" for allocating all costs incurred in prospecting, exploring and development of oil and gas including related finance cost and depreciation, 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.
Exploration Costs involved in drilling and equipping exploratory and appraisal wells and cost of drilling exploratory type stratigraphic test wells are initially accounted for under the head Capital Work In Progress/Intangible Assets Under Development and are capitalized as Producing Properties when ready to commence commercial production.
- ii. All Costs relating to development wells, development type stratigraphic test wells and service wells are initially accounted for under the head Capital Work In Progress/Intangible Assets Under Development and are capitalized as Producing Properties when ready to commence commercial production.
- iii. Producing Properties are depleted using 'Unit of Production' method based on estimated proved developed reserves. Any changes in Reserves/Cost are dealt with prospectively. Hydrocarbon reserves are estimated by the Company following the International Reservoir Engineering Principles and are approved by the appropriate authority(s).

i) IMPAIRMENT OF TANGIBLE AND INTANGIBLE 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 and provide for impairment. 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.

j) 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.

k) RECOGNITION OF INCOME AND EXPENDITURE:

- i. Revenue from sale of products is recognized on transfer of custody to customers. Any difference as of the reporting date between the entitlement quantities minus the quantities sold in respect of crude oil (including condensate) and gas, if positive is treated as inventory and, if negative, is adjusted to revenue by recording the same as liability.
- ii. Sales are inclusive of all statutory levies and taxes that are paid / payable to the government, based on the provisions under various laws and agreements governing Company's activities in the respective

- field/project.
- iii. Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent periods is recognized as Deferred Revenue in the year of receipt. The same is recognized as revenue in the year in which such gas is actually supplied for the quantity supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.
 - iv. Revenue in respect of interest on delayed realizations is recognized when there is reasonable certainty regarding ultimate collection.
 - v. All income and expenditure items that have material bearing on the financial statements are recognized on accrual basis. However insurance claims are not accounted on accrual basis but are accounted for as and when received.
- l) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**
A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjust to reflect the current management estimate.
Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- m) 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 maybe.
- n) BORROWING COSTS :**
Borrowing costs include interest and commitment charges on borrowings, amortisation of costs incurred in connection with the arrangement of borrowings, exchange differences to the extent they are considered a substitute to the interest cost and finance charges under leases.
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 recharged to revenue.
- o) ACCOUNTING FOR EMPLOYEE BENEFITS:**
- i. Short term employee benefits are recognized in the year during which the services have been rendered.
 - ii. The Company has no policy for Leave encashment.
 - iii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation under group gratuity scheme of Life Insurance Corporation of India at the end of each financial year.
 - iv. All other Post retirement benefits to employees are accounted on cash basis.
- p) FOREIGN CURRENCY TRANSACTIONS:**
- i. Foreign Currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.
 - ii. At each Balance sheet date, foreign currency monetary items are translated using the average of exchange rates prevailing on the balance sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such items are determined.
 - iii. Losses or gains relating to the loans/deferred credits utilized for acquisition of fixed assets are adjusted to the carrying cost of the relevant assets. All the other exchange differences arising on the

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

q) SITE RESTORATION:

At the end of the producing life of a field, costs are incurred to restore the site back to its original position. The Company estimates, on a current basis, the cost (net of realisation) of site restoration and recognizes it as a liability and provides for the same. Such estimated cost of site restoration form part of the Intangible Assets Under Development or cost of Producing Properties, as the case may be, of the related asset. Any change in the value of the estimated liability is reflected as an adjustment to the provision and the corresponding Intangible Assets Under Development or Producing Property.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

NOTE 1: SHARE CAPITAL

	As At 31 st March, 2012(₹)	As At 31 st March, 2011(₹)
Authorised Shares: 30,000,000 (Previous Year 30,000,000) Equity Shares of ₹ 10 Each	300,000,000	300,000,000
Issued, subscribed and fully paid up shares: 24,921,200 (Previous Year 24,921,200) Equity Shares of ₹ 10 Each	249,212,000	249,212,000
Add: Amount originally paid up on forfeited shares	44,000	44,000
Total Issued, subscribed and fully paid up share capital	249,256,000	249,256,000

Other Information:

- Reconciliation of the shares outstanding at the beginning and at the end of the reporting period—
There is no change in the number of shares outstanding at the beginning and end of the financial year.
- Terms/Rights attached to the Equity Shares—
The Company has only one class of equity shares having a par value of ₹ 10/- per share, each holder of equity shares is entitled to one vote per share.
- Shares held by holding/ultimate holding Company and/or their subsidiaries/associates—
Out of equity shares issued by the Company, shares held by its holding Company, ultimate holding Company and their subsidiaries/associates are as below (Equity shares of ₹ 10 each fully paid up):

Name	Status	Type	As At		As At	
			31 st March, 2012 Number Percentage	31 st March, 2011 Number Percentage		
Loyz Oil Pte Limited	Holding Company	Equity	10,310,000	41.37	10,310,000	41.37
Loyz Energy Limited	Ultimate Holding Company	Equity	2,595,400	10.41	2,595,400	10.41

- Details of Shareholders holding more than 5% shares in the Company—
Equity shares of ₹ 10 each fully paid up:

Name	As At 31 st March, 2012		As At 31 st March, 2011	
	Number	Percentage	Number	Percentage
Loyz Oil Pte Limited	10,310,000	41.37	10,310,000	41.37
Loyz Energy Limited	2,595,400	10.41	2,595,400	10.41
Rosewell Services Sdn Bhd	2,500,000	10.03	2,500,000	10.03
Upstream Petroleum Pte Limited	1,520,000	6.10	1,520,000	6.10
Harbour Sun Enterprises Limited	1,500,000	6.02	1,500,000	6.02

e. For the period of five years immediately preceding the date of the balancesheet

Particulars	Current Year	Previous Year
Aggregate number & class of shares allotted as fully paid up pursuant to contract(s) without consideration being received in cash.	Nil	Nil
Aggregate number & class of shares allotted by way of bonus shares	Nil	Nil
Aggregate number & class of share bought back	Nil	Nil

NOTE 2: RESERVE & SURPLUS

	As At 31 st March, 2012(₹)	As At 31 st March, 2011(₹)
Securities Premium Account:		
Balance as per last financial statements	219,243,200	219,243,200
At the close of the year	219,243,200	219,243,200
Profit & loss Account:		
Balance as per last financial statements	(90,870,914)	(85,974,415)
Loss for the year	(2,401,721)	(4,896,499)
Net Surplus/(Deficit) in the Profit & Loss Account	(93,272,635)	(90,870,914)
Consolidation Adjustments	(60,804)	(3,790)
Total Reserves & Surplus	125,909,761	128,368,496

NOTE 3: LONG-TERM BORROWINGS

	Non Current Portion		Current Maturities	
	As At	As At	As At	As At
	31 st March, 2012(₹)	31 st March, 2011(₹)	31 st March, 2012(₹)	31 st March, 2011(₹)
Unsecured - Term Loan				
Foreign currency loan from banks	409,200,000	178,600,000	Nil	Nil
Total	409,200,000	178,600,000	Nil	Nil

- During the year, the Company had drawn the balance amount of US\$ 4 Million (₹173,160,000/-) against the facility agreement entered in to with DBS Bank Ltd., Singapore during the previous year for an External Commercial Borrowing (ECB) of US\$8 Million, for the purpose of carrying out further appraisal and development work in the Baola and Modhera Oilfields, in which the Company has 100% participating interest.
- Foreign currency loan carries interest at LIBOR plus 275 basis points. The loan agreement is for tenure of 5 years with 3 year moratorium for repayment of the principal amount that is repayable in 8 equal quarterly installments starting from the 39th month from the month of withdrawal. Interest is, however, payable every quarter as it falls due.
- The loan has been guaranteed by M/s Jit Sun Investments Pte Ltd., a group Company.
- The entire loan after adjusting for the foreign exchange loss of ₹58,920,000 (Previous year ₹1,480,000) on the principal amount has been shown under the head "Long Term Borrowings".
- The loan, interest and effect of foreign exchange fluctuation have been dealt with in the books of accounts in accordance with Accounting Standards.

NOTE 4: LONG-TERM PROVISIONS

	Non Current Portion		Current Maturities	
	As At	As At	As At	As At
	31 st March, 2012(₹)	31 st March, 2011(₹)	31 st March, 2012(₹)	31 st March, 2011(₹)
Provision for Site Restoration Fund	3,000,000	Nil	1,000,000	Nil
Total	3,000,000	Nil	1,000,000	Nil
Less : Shown under short term provisions	Nil	Nil	1,000,000	Nil
Total	3,000,000	Nil	Nil	Nil

During the year, the Company estimated a net amount of ₹5,000,000/- as liability towards site restoration of its oil & gas fields on a current basis. Of this, the Company had deposited ₹1,000,000/- (Previous year ₹Nil) against the provision for site restoration fund (Baola & Modhera field) with State Bank of India under Site Restoration Fund Scheme, 1999 as required under the Production Sharing Contracts for the fields. The balance is reflected under Long/Short Term Provisions.

NOTE 5: TRADE PAYABLES

	As At	As At
	31 st March, 2012(₹)	31 st March, 2011(₹)
Trade payables for material, supplies & services	2,749,918	25,611,561
Total	2,749,918	25,611,561

- Trade payables include ₹Nil (Previous Year ₹Nil) due to Micro, Small and Medium Enterprises to the extent such parties have been identified by the management from available information.
- 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, 2012 (Previous year as at 31st March, 2011) together with interest paid / payable as required under the said Act, have not been given.

NOTE 6: OTHER CURRENT LIABILITIES

	As At	As At
	31 st March, 2012(₹)	31 st March, 2011(₹)
Interest accrued but not due	1,796,210	562,156
Retention money from contractors bill	-	762,599
Statutory liabilities	642,003	3,484,086
Total	2,438,213	4,808,841

Interest accrued but not due is on external commercial borrowing as per Note 3 (Long Term Borrowings) and the statutory liability is towards the tax deducted at source payable for the month of March, 2012.

NOTE 7: SHORT-TERM PROVISIONS

	As At	As At
	31 st March, 2012(₹)	31 st March, 2011(₹)
Provision for Site Restoration Fund	1,000,000	Nil
For Employee Benefits	-	2,287,260
Other Provisions	2,028,062	2,474,617
Total	3,028,062	4,761,877

- Provision towards employee benefits was Nil as the Company has obtained a policy under the group gratuity scheme from Life Insurance Corporation of India during the year. Accordingly, there is no year-end liability towards the same.
- Other provisions represent the estimate for various expenses in the normal course of business.

NOTE 8(0): FIXED ASSETS (TANGIBLE & INTANGIBLE)

DESCRIPTION	GROSS BLOCK (₹)			DEPRECIATION / AMORTISATION (₹)				NET BLOCK (₹)		
	AS AT 01-04-2011	ADDITION	DEDUCTIONS / ADJUSTMENTS	AS AT 31-03-2012	AS AT 01-04-2011	FOR THE YEAR	DEDUCTIONS / ADJUSTMENTS	AS AT 31-03-2012	AS AT 31-03-2012	AS AT 31-03-2011
TANGIBLE ASSETS										
BUILDING	4,562,252	156,400	-	4,718,652	743,649	74,790	-	818,439	3,900,213	3,818,603
PLANT & MACHINERY	12,743,404	3,978,973	-	16,722,377	6,552,784	745,263	-	7,298,047	9,424,330	6,190,620
FURNITURE & FIXTURE	925,732	36,887	-	962,619	100,696	60,110	-	160,806	801,813	825,036
OFFICE EQUIPMENTS	2,108,558	37,850	-	2,146,408	165,527	111,095	-	276,622	1,869,786	1,943,031
COMPUTER	1,630,729	1,852,247	-	3,482,976	181,637	399,225	-	580,862	2,902,114	1,449,092
VEHICLE	3,408,678	652,640	806,037	3,255,281	1,380,313	274,354	806,037	848,630	2,406,651	2,028,365
TOTAL (A)	25,379,353	6,714,997	806,037	31,288,313	9,124,606	1,664,837	806,037	9,983,406	21,304,907	16,254,747
INTANGIBLE ASSETS										
SOFTWARE	-	11,212,971	-	11,212,971	-	1,047,770	-	1,047,770	10,165,201	-
TOTAL (B)	-	11,212,971	-	11,212,971	-	1,047,770	-	1,047,770	10,165,201	-
GRAND TOTAL	25,379,353	17,927,968	806,037	42,501,284	9,124,606	2,712,607	806,037	11,031,176	31,470,108	16,254,747
PREVIOUS YEAR	21,355,940	4,023,413	-	25,379,353	9,054,762	1,313,194	-	9,124,606	16,254,747	13,544,528

Note: since Baola field Production rights (Gross amount ₹1,535,000) have been fully amortised, the same is not reflected in the above table.

Impairment of Assets:- The Company has no independent Cash Generating Units (CGU) in the above assets and hence no impairment test has been carried out.

Note 8(II): WORK-IN-PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT

DESCRIPTION	As at 01-04-2011	ADDITION	Transfer to Assets	Unsuccessful/ Adjustments	As at 31-03-2012
EXPLORATORY WORK IN PROGRESS					
Baola Field	10,112,068	(1,476,675)	-	-	8,635,393
Modhera Field	-	20,484,293	-	-	20,484,293
Total (A)	10,112,068	19,007,618	-	-	29,119,686
OTHER ASSETS					
Civil Work	-	989,919	-	-	989,919
Total (B)	-	989,919	-	-	989,919
Total Work in Progress (C=A+B)	10,112,068	19,997,537	-	-	30,109,605
INTANGIBLE ASSETS UNDER DEVELOPMENT					
Baola Field	208,957,808	88,763,752	-	-	297,721,559
Modhera Field	126,029,405	222,798,541	-	-	348,827,946
Total (D)	334,987,213	311,562,292	-	-	646,549,505
Grand Total (C+D)	345,099,281	331,559,829	-	-	676,659,110
Previous Year	126,325,070	218,774,211	-	-	345,099,281

- As per Significant Accounting Policy (h), the Company, during the year, has capitalized as a part of "Capital Work in-Progress/Intangible Assets Under Development", an amount of 330,569,910/- (Previous year 218,774,211/-), being the expenses incurred in the appraisal/development of two oil/gas fields viz. Baola and Modhera.
- The amount will be transferred to "Producing Property" as and when the underlying fields are ready for commencement of commercial production.
- The above includes Borrowing cost (net of adjustment arising from interest earned on temporary cash surplus from External Commercial Borrowing) amounting to 2,582,861/- (Previous year Nil).
- As per Significant Accounting policies (o)(iii), foreign exchange fluctuation of 57,947,615/- (Previous year 1,480,000) pertaining to principal and interest amount of loan has been capitalized and included in Intangible Assets Under Development.
- As the oil and gas fields are still under appraisal, no impairment test has been carried out.

NOTE 9: NON-CURRENT INVESTMENTS

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Trade Investments:		
Investments in Mutual Fund (Quoted) - At cost	3,460	3,460
UTI Master Shares - 119 units - Market Value ₹ 3,052/- (Previous year ₹ 3,518/-)		
Total	3,460	3,460

NOTE 10: LONG TERM LOANS AND ADVANCES

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Security Deposit		
Secured, Considered Good :	204,500	204,500
Total	204,500	204,500

The security deposit is towards mining lease for Baola and Modhera fields and for telephone, which are deposited for a period more than 12 months. The management believes that these are fully realizable in the normal course of business.

NOTE 11: OTHER NON-CURRENT ASSETS

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Long term trade receivables	-	-
Preliminary expenses to the extent not written off	110,008	438,484
Total	110,008	438,484

Company does not have any long term trade receivables. Preliminary expenses represent the amount spent towards preferential issue of shares in the financial year 2009-10 that are due for write off in more than 12 months.

NOTE 12: INVENTORIES

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Stores and spares	14,455,941	36,485,768
Total	14,455,941	36,485,768

Stores and spares are balance lying in stock from the items procured for operations in Baola and Modhera and are stated at cost, The management believes that the realizable value of these stores and spares are not less than its cost.

NOTE 13: CASH AND CASH EQUIVALANTS

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Cash on hand	366	73,954
Balances with banks		
- in current accounts	1,643,032	4,829,155
- in deposit accounts exceeding 12 months maturity	-	-
- in margin money, security for guarantees and other commitments	32,742,874	30,892,874
- in bank deposit accounts	28,150,000	144,900,000
- Cheques, drafts on hand	100,000	-
- Interest accrued on deposits	5,189,834	1,378,526
Total	67,826,106	182,074,508

The Company has submitted bank guarantees worth `1,850,000/- (Previous year `29,871,775/-) to Government of India towards 10% of the annual budget for the year 2012-13, as required under the Production Sharing Contract for Modhera Field. The cumulative bank guarantee outstanding as on 31st March, 2012 is `31,721,775 (Previous year `29,871,775) towards which the Company has provided a lien on Term Deposits with bank worth `32,742,874/- (Previous year `30,892,874/-).

NOTE 14: SHORT TERM LOANS AND ADVANCES

	As At 31 st March, 2012 (`)	As At 31 st March, 2011 (`)
Deposits to related parties	330,000	330,000
Deposits - Others	150,000	295,000
Capital advances (Secured, considered good)	412,458	2,010,690
Loans and advances to employees	9,524	21,048
Pre paid expenses	1,426,263	5,208,206
Others (Recoverable from employees)	-	4,667
Less: Provision for doubtful advances	-	-
Total	2,328,245	7,869,611

- In the opinion of management, the current assets including loans, advances, deposits etc, is fully realizable in the normal course of business.
- The balances of loan & advances as appearing above are fully confirmed.

NOTE 15: OTHER CURRENT ASSETS

	As At 31 st March, 2012 (`)	As At 31 st March, 2011 (`)
VAT credit receivable	-	94,952
Balance with the Govt. Authorities	2,196,000	2,552,988
Preliminary expenses to the extent not written off	328,476	328,476
Total	2,524,476	2,976,416

- The VAT credit of `94,952 has been realized to the extent of `46,016/- and the balance has been charged to Statement of Profit and Loss.
- Balance with Government Authorities represents the advance tax resulting from tax deducted at source from interest earned during the year and excess service tax deposited that is fully adjustable against future liability.

NOTE 16: OTHER INCOME

	Year Ended 31 st March, 2012 (`)	Year Ended 31 st March, 2011 (`)
Interest on FDR's	3,345,669	7,119,968
Dividend Income		
- from long term investments	262	357
- from current investments	-	-
Liability no longer required written back	2,390,032	-
Profit on sale of fixed assets	120,000	-
Other Receipts	342,468	30,216
Total	6,198,431	7,150,541

- Interest on Short term bank deposits represents interest earned on deposit from Company's own funds.
- The interest earned, on Short term bank deposit made from temporary cash surplus out of External Commercial Borrowings, during the year amounting to `9,879,702/- (Previous year `624,618/-) has been adjusted in Intangible Assets Under Development as per Accounting Standard 16 and is not included above (Refer Note 8 II).

Note 17: EMPLOYEE BENEFITS EXPENSES

	Year Ended 31 st March,2012(₹)	Year Ended 31 st March,2011(₹)
Salaries and wages	2,035,581	3,115,214
Staff welfare expenses	15,488	14,869
Remuneration to whole time directors	486,542	12
Total	2,537,621	3,130,095

- Salaries and wages include payment for gratuity to Life Insurance Corporation of India.
- The gross employee benefits expenses during the year is ₹25,948,947 (Previous year ₹31,692,284), of which an amount of ₹23,411,326 (Previous year ₹28,562,189) was capitalize as a part of "Intangible assets under development" (Refer Note 8(II)) as per accounting policy (Refer policy (h)) being the amount spend towards appraisal and development of the oil & gas fields.
- During the year on 14th October, 2011 Mr. Gopal Srinivasan appointed as a whole time director. The Company has made an application for approval of remuneration of whole time director. The approval is still awaiting.

NOTE 18: FINANCE COST

	Year Ended 31 st March,2012(₹)	Year Ended 31 st March,2011(₹)
Bank Charges	27,312	75,628
Net (gain) / loss on foreign currency transaction	(18,663)	983
Total	8,649	76,611

- The above finance cost does not include an amount of ₹12,462,563/- (Previous year ₹624,618/-) incurred towards interest on External Commercial Borrowings (ECB) as the same has been capitalized (after adjusting interest earned on temporary cash surplus from External Commercial Borrowing of ₹9,879,702/- (Previous year ₹624,618/-)) as a part of "intangible assets under development" (refer note 8(II)) in terms of Accounting Standards -16, as the ECB was taken for the appraisal and development of oil & gas fields.

NOTE 19: DEPRECIATION & AMORTISED COST

	Year Ended 31 st March,2012(₹)	Year Ended 31 st March,2011(₹)
Depreciation of tangible assets	1,664,837	1,466,694
Amortisation of intangible assets	1,047,770	-
Total	2,712,607	1,466,694
Less : Capitalised as a part of Capital WIP	2,643,686	1,329,609
Net transferred to Profit and Loss account	68,921	137,085
Preliminary Expenses Written Off.	328,476	328,476
Total	397,397	465,561

NOTE 20: OTHER EXPENSES

	Year Ended 31 st March,2012(₹)	Year Ended 31 st March,2011(₹)
Advertisement Expenses	88,610	58,134
AGM, EGM & Other Meeting Expenses	494,878	655,710
Auditor's Remuneration		
- For audit fees	75,731	59,728
- For other services	8,959	26,441
Business Development Expenses	1,487,273	263,646
Computer Maintenance	-	-
Conveyance Expenses	5,012	14,186
Director Sitting fees	272,500	232,500

Guest house related expenses	157,827	177,665
Insurance Expenses	22,986	90,481
Legal & Professional Expenses	648,058	2,685,717
Office Expenses	173,778	457,096
Postage & Courier Expenses	12,881	25,923
Power & Fuel	9,496	42,352
Printing & Stationery Expenses	42,860	43,187
Rent Rates & Taxes	229,037	561,015
Repair & Maintenance	23,288	29,005
ROC Expenses	181,251	94,646
Telecommunication Expenses	89,561	128,604
Travelling Expenses (Including Foreign Travelling)	1,530,625	2,587,953
Vehicle Expenses (Including Insurance)	101,874	140,784
Total	5,656,485	8,374,773

The gross other expenses incurred during the year is `22,251,233 (Previous year `30,492,546), of which an amount of `16,594,748 (Previous year `22,117,773) was capitalize as a part of "Intangible assets under development" as per accounting policy (refer policy (h)) being the amount spend towards appraisal and development of the oil & gas fields.

NOTE 21:

- Interlink Petroleum Pte Ltd. was incorporated on 16th October 2008 under the laws of Singapore as a Private Limited Company with an initial capital of 68 (SGD 2 only comprising 2 shares of SGD 1 each), which is entirely held by Interlink Petroleum Limited (holding Company), a Company incorporated under the laws of India.
- The principal activities of the Company are oil and gas exploration.
- The registered office of the Company is located at 15 Hoe Chiang Road, #19-01 Tower Fifteen, Singapore 089316.
- The current directors of the Company are:
 - Lai Kai Jin Michael
 - Lee Chye Cheng, Adrian
- The consolidated Financial Statements include the accounts of the following Subsidiary:

Name of Entity	Country of Incorporation and Residence	Amount of Investment (₹)	Percentage of Voting Power as at 31 st March, 2012 (%)
Interlink Petroleum Pte Limited	Singapore	68.00 (68.00)	100 (100)

(Previous year's figures in parenthesis)

NOTE 22: RELATED PARTY DISCLOSURE

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

- List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sl No.	Name of Related Party	Relationship
1	Loyz Energy Limited	Group Companies
2	Jit Sun Investments Pte Limited	
3	Loyz Oil Pte Limited	
4	Interlink Petroleum Pte. Limited	
5	Gopal Pallipura Srinivasan	Key Managerial
6	Kenneth Gerra Pereira	Personnel
7	Vijay Misra	Directors & Relatives
8	Sushila Devi	

ii. Transaction during the year with related parties.

Nature of Transaction	2011-12 (₹)	2010-11 (₹)
<u>Lease rent for office premises</u> Sushila Devi	1,690,370	1,536,700
<u>Deposit for lease of office premises</u> Sushila Devi	330,000	330,000
<u>Managing Director's Remuneration</u> Gopal Palli puram Srinivasan Kenneth Gerrad Pereira	*6,034,099 7	- 12
<u>Investment/Loans to Subsidiary</u> Interlink Petroleum Pte Ltd., Singapore	121,466	74,729

*The amount referred from date of appointment, i.e. 14th October, 2011

NOTE 23: EARNINGS PER SHARE (EPS)

	As At 31 st March, 2012 (₹)	As At 31 st March, 2011 (₹)
Profit / (Loss) after tax	(2,401,721)	(4,896,499)
Net Profit / (Loss) for calculation of basic EPS	(2,401,721)	(4,896,499)
Number of equity shares	24,921,200	24,921,200
Number of equity shares for calculation of basic EPS	24,921,200	24,921,200
Earning Per Share (EPS)	(0.10)	(0.19)

NOTE 24:

The Company is engaged in extraction of crude oil and natural gas only and therefore there is only one reportable segment in accordance with Accounting Standard 17 on Segment Reporting.

NOTE 25:

Group falling within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969). The following persons/companies constitute the Group falling within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), which exercises, or is established to be in a position to exercise, control, directly or indirectly, over the Company.

- Loyz Energy Limited
- Jit Sun Investments Pte Ltd.
- Loyz Oil Pte Ltd.
- Interlink Petroleum Pte Ltd.

NOTE 26: PREVIOUS YEAR FIGURES

Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

As Per Our Report of Even Date

For Shirish Desai & Co.
Chartered Accountants
(Firm registration No: 112226W)

For and On Behalf Of the Board of

Dillip K. Thakkar
(Partner)
Membership No: 031269

Gopal Srinivasan
(Managing Director)
DIN: 02011557

Vijay Misra
(Director)
DIN: 00458031

Parvinder Singh Arora
(Company Secretary)

Place : NOIDA
Date : 13 July, 2012

INTERLINK PETROLEUM PTE. LTD., SINGAPORE
(Registration No. 200820141Z)

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED MARCH 31, 2012

INTERLINK PETROLEUM PTE. LTD.

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the company for the financial year ended March 31, 2012.

1. DIRECTORS

The directors of the company in office at the date of this report are: Lai Kai Jin Michael
Lee Chye Cheng, Adrian

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act.

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

5. SHARE OPTIONS

- (a) Options to take up unissued shares
During the financial year, no option to take up unissued shares of the company was granted.
- (b) Options exercised
During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.
- (c) Unissued shares under option
At the end of the financial year, there were no unissued shares of the company under option.

6. AUDITORS

The auditors, Ecovis Trustnet Alliance LLP, have expressed their willingness to accept re-appointment.

THE DIRECTORS

Lai Kai Jin Michael
April 11, 2012

Lee Chye Cheng, Adrian

STATEMENT OF DIRECTORS

In the opinion of the directors, the accompanying financial statements set out on pages 6 to 17 are drawn up so as to give a true and fair view of the state of affairs of the company as at March 31, 2012, and of the results, changes in equity and cash flows of the company for the financial year then ended and at the date of this statement, with the continued financial support from its holding company, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

THE DIRECTORS

Lai Kai Jin Michael
April 11, 2012

Lee Chye Cheng, Adrian

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF INTERLINK PETROLEUM PTE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of Interlink Petroleum Pte Ltd which comprise the balance sheet of the company as at March 31, 2012, the statement of comprehensive income, statement of changes in equity and cash flow statement of the company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 17.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at March 31, 2012 and of the results, changes in equity and cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Without qualifying our opinion, we draw your attention to Note 1 to the financial statements, the current liabilities of the company exceeded the current assets by \$10,584 (2011: \$7,845) and the company has capital deficiency of \$10,584 (2011: \$7,845). The financial statements have been prepared on a going concern basis on the assumption that financial support will be available from the company's shareholders as and when required. If the financial supports are not forthcoming, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the balance sheet. In addition, the company may have to provide for further liabilities that might arise.

Ecovis Trustnet Alliance LLP
Public Accountants and
Certified Public Accountants
Singapore
April 11, 2012

INTERLINK PETROLEUM PTE. LTD.

BALANCE SHEET
March 31, 2012

	<u>Note</u>	<u>2012</u> \$	<u>2011</u> \$
ASSETS			
Current assets:			
Cash and cash equivalents	6	2	2
Other receivables	7	353	366
Total current assets		<u>355</u>	<u>368</u>
Total assets		<u>355</u>	<u>368</u>
LIABILITY AND CAPITAL DEFICIENCY			
Current liability:			
Other payables	8	10,939	8,213
Total current liability		<u>10,939</u>	<u>8,213</u>
Capital and reserves:			
Share capital	9	2	2
Retained earnings		(10,586)	(7,847)
Total capital deficiency		<u>(10,584)</u>	<u>(7,845)</u>
Total liability, net of capital deficiency		<u>355</u>	<u>368</u>

See accompanying notes to financial statements.

STATEMENT OF COMPREHENSIVE INCOME
Year ended March 31, 2012

	<u>Note</u>	<u>2012</u> \$	<u>2011</u> \$
Other operating expenses		(2,739)	(2,386)
Loss before income tax		(2,739)	(2,386)
Income tax expense	10	-	-
Loss for the year		<u>(2,739)</u>	<u>(2,386)</u>
Total comprehensive income for the year		<u>(2,739)</u>	<u>(2,386)</u>

See accompanying notes to financial statements.

INTERLINK PETROLEUM PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2012

	<u>Share capital</u> \$	<u>Retained earnings</u> \$	<u>Total</u> \$
Balance at April 1, 2010	2	(5,461)	(5,459)
Total comprehensive income for the year	-	(2,386)	(2,386)
Balance at March 31, 2011	2	(7,847)	(7,845)
Total comprehensive income for the year	-	(2,739)	(2,739)
Balance at March 31, 2012	2	(10,586)	(10,584)

See accompanying notes to financial statements.

CASH FLOW STATEMENT

Year ended March 31, 2012

	<u>2012</u> \$	<u>2011</u> \$
Cash flows from operating activities:		
Loss before income tax	(2,739)	(2,386)
Operating cash flows before movements in working capital	(2,739)	(2,386)
Other receivables	13	(23)
Other payables	2,726	2,409
Net cash from operating activities	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	2	2
Cash and cash equivalents at the end of the year (Note 6)	2	2

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2012

1. GENERAL

The company (Registration Number 200820141Z) is incorporated and domiciled in Singapore with its principal place of business and registered office at 15 Hoe Chiang Road, #19-01 Tower Fifteen, Singapore 089316. The financial statements are expressed in Singapore dollars, which is the functional currency of the company.

The principal activity of the company is that of oil and gas exploration. The company remains dormant during the financial year.

The financial statements of the company for the year ended March 31, 2012 were authorised for issue by the Board of Directors on the date of the Statement of Directors.

The current liabilities of the company exceeded the current assets by \$10,584 (2011: \$7,845) and the company has capital deficiency of \$10,584 (2011: \$7,845). The financial statements have been prepared on a going concern basis on the assumption that financial support will be available from the company's shareholders as and when required. If the financial supports are not forthcoming, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the balance sheet. In addition, the company may have to provide for further liabilities that might arise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost convention and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2011. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

- Amendments to FRS 1 *Presentation of Financial Statements - Amendments relating to Presentation of Items of Other Comprehensive Income*
- Amendments to FRS 12 *Income Taxes: Deferred Taxes: Recovery of Underlying Assets*
- Amendments to FRS 19 *Employee Benefits*
- FRS 27 (Revised) *Separate Financial Statements*
- FRS 28 (Revised) *Investments in Associates and Joint Ventures*
- Amendments to FRS 107 *Financial Instruments: Disclosures: Transfers of Financial Assets*
- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 113 *Fair Value Measurement*

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above/other FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis for debt instruments.

Financial assets

Loan and other receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to a n event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other payables

Other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

PROVISIONS - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is

calculated using tax rates (and tax laws) that have been enacted or substantively enacted in country where the company operates by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements of the company are measured and presented in the currency of the primary economic environment in which the company operates (its functional currency) which is the Singapore dollars.

Transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in profit or loss.

CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT - Cash and cash equivalents in the cash flow statement comprise cash on hand that is readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) *Critical judgements in applying the company's accounting policies*

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

(ii) *Key sources of estimation uncertainty*

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2012 \$	2011 \$
Financial assets:		
Cash and cash equivalents	2	2
Total loans and receivables	<u>2</u>	<u>2</u>
Financial liabilities:		
Other payables	10,939	8,213
Total amortised cost	<u>10,939</u>	<u>8,213</u>

(b) Foreign risk management policies and objectives

The company's major financial instruments include cash and cash equivalents and other payables. The risks associated with these financial instruments include market risk (primarily being foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

i) Foreign currency risk

Foreign currency risk refers to the risk that arises from the movements in the foreign currency exchange rate against Singapore dollars that will affect the company's financial results and its cash flows.

The company's transactions were mainly in Singapore dollars and it does not have significant financial assets and liabilities denominated in foreign currency at the end of the reporting period. The exposure to foreign exchange risk is minimal. No sensitivity analysis is prepared.

ii) Interest rate risk

The company has minimal exposure to interest rate risk as it does not have significant interest bearing financial assets and liabilities at the end of the reporting period. As such, no sensitivity analysis is prepared.

iii) Credit risk

The company has minimal exposure to credit risk as it has not commenced trading and has no trade receivables at the end of the reporting period.

iv) Liquidity risk

Liquidity risk is managed by matching the payment and receipt cycle. The company's operations are financed mainly through equity and financial supports from its holding company.

All financial liabilities in 2011 and 2012 are repayable on demand or due within 1 year from the end of the reporting period, and are non-interest bearing.

v) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital risk management policies and objectives

The company reviews its capital structure at least annually to ensure that the company will be able to continue as a going concern. The capital structure of the company comprises only of share capital and retained earnings. The company's overall strategy remains unchanged from 2011.

Management reviews the capital structure on an annual basis to balance its overall capital structure through the issue of new capital and distribution of dividend.

The company is not subject to any externally imposed capital requirements for the year ended March 31, 2012 and 2011.

5. HOLDING COMPANY

The company is a subsidiary of Interlink Petroleum Ltd., incorporated in India, which is also the company's ultimate holding company.

Some of the company's transactions and arrangements are between members of the group and the effect of this on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, repayable on demand and interest-free unless otherwise stated.

6. CASH AND CASH EQUIVALENTS

	<u>2012</u>	<u>2011</u>
	\$	\$
Cash in hand	<u>2</u>	<u>2</u>

Cash and cash equivalents is denominated in Singapore dollars.

7. OTHER RECEIVABLES

	<u>2012</u>	<u>2011</u>
	\$	\$
Prepayments	<u>353</u>	<u>366</u>

Other receivables are denominated in Singapore dollars.

8 OTHER PAYABLES

	<u>2012</u>	<u>2011</u>
	\$	\$
Amount due to holding company	8,220	6,415
Other payables	<u>2,719</u>	<u>1,798</u>
	<u>10,939</u>	<u>8,213</u>

The amount due to holding company is unsecured, interest-free and repayable on demand.

Other payables are denominated in Singapore dollars.

9. SHARE CAPITAL

	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	Number of ordinary shares		\$	\$
Issued and fully paid:				
At the beginning and end of the year	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

10. INCOME TAX EXPENSE

	<u>2012</u>	<u>2011</u>
	\$	\$
Current	<u>-</u>	<u>-</u>

Domestic income tax is calculated at 17% (2011: 17%) of the estimated assessable loss for the year.

The total charge for the year can be reconciled to the accounting loss as follows:

	<u>2012</u>	<u>2011</u>
	\$	\$
Loss before income tax	<u>(2,739)</u>	<u>(2,386)</u>
Income tax benefit calculated at 17% (2011: 17%)	(466)	(406)
Non-allowable items	<u>466</u>	<u>406</u>
Income tax expense recognised in profit or loss	<u>-</u>	<u>-</u>

Dear Shareholder,

Sub: Service of documents through Electronic Mode

"The Green Initiative in the Corporate Governance" taken by the Ministry of Corporate Affairs, ("MCA"), vide its Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, has enabled paperless compliances by allowing service of documents by companies through electronic mode. With a view to supporting the "Green Initiatives" taken by MCA, ensuring speedy delivery of documents to shareholders and avoiding instances of loss in transit of documents sent to shareholders, we propose to send documents like notice of General Meeting(s), Annual Report containing audited financial statements, directors' report, auditors' report among other reports from the year ended March 31, 2012, and all other future communications in electronic form, to your email address.

Accordingly, we would request you to kindly register your email ID as soon as possible, as under:

IF YOU HOLD EQUITY SHARES IN THE COMPANY IN PHYSICAL FORM:

Register your E-mail address with the Registrar and Share Transfer Agent of the Company (R&TA), M/s. Link Intime India Pvt. Ltd., (the R&TA), A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi-110028, by sending a letter as your acceptance to receive Notice of General Meeting(s), Annual Report containing audited financial statements, Directors' Report, Auditors' Report among other reports from the year ended March 31, 2012, and all other future communications in electronic mode quoting your Name, Number of Shares held, Folio Number and "E-mail ID" duly signed by the registered shareholder(s) to the R&TA by hand delivery/by post/through courier or E-mail at swapam@linkintime.co.in.

We further wish to inform you that your Company's shares can be traded only in dematerialized mode. There are also other inherent advantages of holding shares in Demat mode e.g. avoidance of risk of loss of share certificate etc. **In view of the same, we would request you to get your shares dematerialized as soon as possible for trading the shares in Stock Market.**

IF YOU HOLD EQUITY SHARES IN THE COMPANY IN ELECTRONIC FORM:

Register your E-mail address with your concerned Depository Participant.

We would like to inform you that the document(s) and/or communication(s) to be sent to the Members of the Company in electronic mode, would also be available on the Company's website, www.interlinkpetroleum.com, as and when issued. We will also provide the hard copy of the said document(s) and/or communication(s) free of cost, upon receipt of requisition from you for the same.

We look forward to your co-operation in the endeavor of the Company to support the "Green Initiatives in Corporate Governance" taken by MCA.

Thanking you,

Yours faithfully
For Interlink Petroleum Limited

Gopal Srinivasan
Managing Director

INTERLINK PETROLEUM LIMITED

Registered Office: "211A, 2nd Floor, Triveni Complex, E-10-12, Jawahar Park, Laxmi Nagar, New Delhi 110 092".

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 21st ANNUAL GENERAL MEETING of the Company at Assam Association, Srimanta Sankardeva Bhawan A - 14 B, Outab Institutional Area, Satsang Vihar Marg New Delhi 110067 on 21st September 2012 at 10.00 AM.

Full name of the Member _____ Folio

No. _____ / DP ID No. _____ Client ID No. _____

No. of Shares held _____

Full name of Proxy _____

Member's/Proxy's Signature

- NOTE :** 1) 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.
2) Member's Signatures should be in accordance with the specimen signature registered with the company.
3) Please bring your copy of the Annual Report for reference at the meeting.

INTERLINK PETROLEUM LIMITED

Registered Office: "211A, 2nd Floor, Triveni Complex, E-10-12, Jawahar Park, Laxmi Nagar, New Delhi 110 092".

FORM OF PROXY

I/We _____
Of _____ being a
Member/Members of the above named Company, hereby appoint _____
of _____
or failing him _____ of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 21st ANNUAL GENERAL MEETING of the Company, to be held on Friday, the 21st September 2012 at 10:00 AM and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Folio No. _____ / DP ID No. _____

Client ID No. _____

No. of shares held _____

Affix Re. 1 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

If undelivered, please return to:
Interlink Petroleum Limited
211A, 2nd Floor, Triveni Complex,
E-10-12, Jawahar Park, Laxmi Nagar,
New Delhi-110092