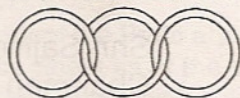


INTERLINK



**INTERLINK
PETROLEUM LIMITED**

**14th
Annual Report
2004 -2005**

Registered Office :
"INTERLINK HOUSE"
Akota - Padra Road, Akota,
Vadodara - 390 020.

**14TH
ANNUAL
REPORT
2004-2005**

Board of Directors : Shri Sajive Nair
Chairman & Managing Director

Shri Vyatcheslav Gryzin
Vice - Chairman

Smt. Shaila Kartha
Executive Director

Shri Vladimir Baiburine
Shri Alexei Kossilov
Shri Satish Sonalkar
Shri Dilip Kartha
Dr. Vinod C. Malshe

Registered Office : "Interlink House"
Akota - Padra Road, Akota,
Vadodara - 390 020.

Dy. Company Secretary : Prashant Pandya

Bankers : Bank of Baroda
Oriental Bank of Commerce

Auditors : M/s. Shirish Desai & Co.
Chartered Accountants
Vadodara.

NOTICE

Notice is hereby given that the 14th Annual General Meeting of Interlink Petroleum Limited will be held on Thursday, the 29th September, 2005 at 11.30 a.m. at the Auditorium of Vanijyabhavan, Central Gujarat Chamber of Commerce, Race Course, Vadodara, to transact the following Ordinary business.

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2005, Balance Sheet as at the date together with schedules and notes forming part thereof and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vyatcheslav Gryzin, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Vladimir Baiburin, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Date : 08.07.2005

Place : Vadodara.

For and on behalf of the Board,

Sajive Nair
Chairman & Managing Director

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Registers of the Company will remain closed during Monday, the 26th September, 2005 to Thursday, the 29th September, 2005 (both days inclusive).
3. Proxies should be lodged with the Company 48 hours before the commencement of the meeting.
4. MEMBERS DESIROUS OF OBTAINING INFORMATION WITH RESPECT OF THE ACCOUNTS OF THE COMPANY, ARE REQUESTED TO SEND QUERIES IN WRITING TO THE COMPANY AT ITS REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

INTERLINK PETROLEUM LIMITED**14th Annual Report****Annexure to the Notice of Annual General Meeting.**

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

Name of Director	:	Mr. Vyatcheslav Gryzin	Mr. Vladimir Baiburine
Date of Birth	:	22-05-1952	25-02-1949
Date of Appointment	:	08-01-1994	08-01-1994
Specialised Expertise	:	Technical Management	Technical Management
Qualifications	:	Diploma in Mechanical and Electrical Engineering	Phd. in Chemical Engineering
Directorships of other Companies as on 31st March, 2005	:	---	---
Chairman/Member of Other Committees of Companies as on 31st March, 2005	:	NIL	NIL

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting herewith Fourteenth Annual Report of your Company for the year ended 31st March, 2005.

Following figures summarise the working result of the Company.

Financial Results

		(Rs. in Lacs)
	2004-2005	2003-2004
Gross Income	67.51	180.51
Gross Profit/(Loss) before Interest, Depreciation & Tax	(12.66)	44.43
Interest	1.00	0.85
Depreciation	13.95	13.71
Provision for Taxation	--	5.86
Net Profit / (Loss)	(27.61)	24.01

Dividend

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

Operation in Retrospect & Prospect

During the year under review, as evident, the Company could not register growth in terms of Revenue and Profit due to Development activity undertaken to increase production from the current rate thereby to exploit the full potential of the field.

Our technical team and associated consultants have worked out a major expansion production programme of Baola Gas field which includes to develop the existing two wells for full potential recovery with latest production technology. It is also planned to drill two more wells in the next year.

As already speculated earlier the demand of natural gas is increasing in the vicinity of Baola Gas field and as such the Company is preparing to exploit full potential of business from Baola Gas field.

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

INTERLINK PETROLEUM LIMITED**14th Annual Report**

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

Management Discussion & Analysis**Overall Review**

Year 2004-05 could also see the stable growth internationally. While the Company is not in international activities, all the revenues are generated from Sale of Natural Gas in the Domestic Market. World over, the fastest growing source of primary energy is projected to be Natural Gas. As reiterated earlier over 2001-2025 period, consumption of Natural Gas is projected to increase significantly and considerably, surpassing other traditional energy sources.

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

Opportunities & Threat

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

Threats

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

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

Internal Control Systems

The Company has already adequate Internal Control Systems in respect of efficiency

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

Financial

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

Review of Financial Performance

During the year under review, the Company's Gross Income got reduced due to development activities being carried out in the field for maximum recovery of its potential.

Statutory Compliance

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

Directors' Responsibility Statement

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

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

INTERLINK PETROLEUM LIMITED**14th Annual Report**

(iv) The Directors have prepared the annual accounts on a going concern basis.

Directorate

Shri Vyatcheslav Gryzin and Shri Vladimir Baiburine, the Directors, retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-election.

During the year Shri Yatin Rathod resigned as a director from the Board of Directors of the Company due to his preoccupation. The Board places on record its sincere appreciation for the contribution given by him during the tenure of his directorship.

Corporate Governance

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

Dematerialisation of Shares

As per the SEBI directives, the Company has already availed ISIN: No. INE959G01016 from National Securities Depository Ltd. (NSDL), whereas necessary compliance has already been made to Central Depository Services Ltd. (CDSL), by the Company and now awaits for their confirmation to the said ISIN.

Delisting of Shares

In accordance with the approval granted by the shareholders, the Company has got its equity shares delisted from the Stock Exchange, Ahmedabad, the Vadodara Stock Exchange Limited and the Delhi Stock Exchange Association Ltd., the Company's equity shares are listed and traded on the Bombay Stock Exchange Ltd., (BSE) having nationwide trading terminals.

Audit Committee

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

Remarks of Auditors' Report

Observations made by the Statutory Auditors' in their notes on accounts, are self-

explanatory and do not call for any further comments and observations by the Company.

Public Deposits

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

Energy, Technology & Foreign Exchange

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

Particulars of Employees

As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, information is not furnished, as no employee is covered thereunder.

Auditors

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

Acknowledgement

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

Date : 08.07.2005

Place: Vadodara.

For and on behalf of the Board,

Sajive Nair
Chairman & Managing Director

ANNEXURE - A

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Code of Corporate Governance

Interlink Petroleum Ltd's Philosophy on Corporate Governance envisages working towards high levels of accountability, consistent value systems, delegation, across all facets of its operations leading to sharply focussed and operationally efficient growth.

2. Board of Directors

The Company has an Executive Chairman and Managing Director and another Executive Director with six Independent Directors.

The names and categories of the Directors, their attendance at Board Meetings, Annual General Meeting, No. of directorships in other Companies and No. of Committee Membership etc. are given below.

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