



**INTERLINK
PETROLEUM**

Interlink Petroleum Limited

**19TH
ANNUAL REPORT
2009-2010**

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19TH ANNUAL REPORT 2009-2010

Board of Directors	:	Bikash Chandra Bora	-	Chairman
		Kenneth Gerard Pereira	-	Managing Director
		Vijay Misra	-	Director
		Lee Chye Cheng Adrian	-	Director
		Lai Kai Jin Michael	-	Director
		Arun Agarwal	-	Director
Registered Office	:	"Premal Jyot" 1-B, Sarabhai Colony Gotri Road, Near General Hospital, Vadodara - 390021		
Dy. Company Secretary	:	Bharat Patel		
Bankers	:	HDFC Bank		
Auditors	:	M/s. Shirish Desai & Co. Chartered Accountants Vadodara.		

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NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of Interlink Petroleum Limited will be held on Friday, the 3rd September, 2010 at 3.00 p.m. at Dr. I G Patel Seminar Hall, Faculty of Social Work of M. S. University, Opp. Fateh Gunj Post Office, Fateh Gunj, Vadodara-390002 to transact the following Ordinary business :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2010 and Balance Sheet as of that date together with reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Misra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bikash Chandra Bora, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

For and on behalf of the Board,

Place: Noida

Date : 10-06-2010

Bikash Chandra Bora
Chairman

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. Proxy Form duly completed and signed should be lodged with the Company 48 hours before the commencement of the meeting, in order to be effective.
3. Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 1st September, 2010 to Friday, 3rd September, 2010 (both the days inclusive).
4. Information about directors being appointed, as required under clause 49 IV G of the Listing Agreement, is given in the annexure to the Notice.
5. **Members desirous of obtaining any information in respect of Accounts of the Company are requested to write to the Company at least seven days before the date of the meeting.**
6. Pursuant to SEBI circular, the Shareholders holding shares in physical form are requested to submit the notarized copy of PAN in compliance of the KYC norms.

Annexure-I**Annexure to the Notice of Annual General Meeting****Information pursuant to clause 49 of the Listing Agreement regarding re-appointment of directors upon retiring by rotation and appointment of Directors.****Item No. 2 : Brief Resume and Nature of Expertise:**

Mr. Vijay Misra, aged 50 years, did his Graduation, Post Graduation and L.L.B. from Delhi University and MBA from Slovenia, Europe. He is Oil and Gas Consultant, having more than 26 years of experience in upstream Oil & Gas sector. He worked in Oil India Limited and ONGC for 17 years. During last 8 years, he is the Country Head of Sapura Group of Company from Malaysia.

Mr. Vijay Misra started his career with Oil India Limited, He worked as Staff Officer to Chairman of Oil India Limited, and ONGC for last 8 years. He had very rich experience and exposures in the upstream sector of this country.

Mr. Misra is the Promoter Director holding 4,11,900 Equity Shares in your Company.

Apart from Interlink Petroleum Limited, Mr. Misra holds directorships in following companies.

Sr. No.	Name of the Company	Designation
1.	Donipolo Infraconsultant Private Limited	Director
2.	Manthan Pharma Private Limited	Director
3.	Orchid Oil Private Limited	Director

The Board recommends his re-appointment as a Director.

None of the Directors, except Mr. Vijay Misra, is in any way concerned or interested in the said resolution.

Item No. 3 : Brief Resume and Nature of Expertise:

Mr. Bikash Chandra Bora, aged 70 years, a Graduate in Mechanical Engineering and a fellow of the Institution of Engineers (India), is an Energy Consultant, having more than 45 years of experience in Oil & Gas sector, both within and outside India. He superannuated from ONGC as Chairman & Managing Director in 2001.

Mr. Bora started his career with Oil India Limited, as a Production Engineer in 1962 and rose to become the Chairman and Managing Director of the Company in 1992, a position he held until 1995, when he moved to ONGC as its Chairman and Managing Director and superannuated from that position in 2001. He was actively involved with a number of important Committees and task forces of the Government of India, related to the Hydrocarbon and Energy industries, to help the Government, to decide on various policy issues on Oil & Gas Sector, as well as Public Sector in general. He was also associated with a number of Technical, Social and Sports organizations in the Country as an important office bearer.

He has remained associated with Petroleum Sector by being part time Consultant and Advisor to a number of Companies engaged in the Energy Sector.

Mr. Bora does not hold any Shares or beneficial Interest in any shares of your Company.

Apart from Interlink Petroleum Limited, Mr. Bora holds directorships in following companies.

Sr. No.	Name of the Company	Designation
1.	Gujarat Gas Company Limited	Independent Director
2.	Assam Hydrocarbon and Energy Company Limited	Director
3.	NEFTOGAZ India Private Limited	Director

His Professional Competence and valuable, rich experience in the Oil & Gas Industry, would be of immense benefit to the Company.

The Board recommends his re-appointment as a Director.

None of the Directors, except Mr. Bikash Chandra Bora, is in any way concerned or interested in the said resolution.

DIRECTORS' REPORT

To,
The Members
Interlink Petroleum Limited

Your Directors have pleasure in presenting for your consideration and approval the Nineteenth Annual Report for the year ended 31st March, 2010.

1. FINANCIAL PERFORMANCE:

(Rs. in Lacs)

Particulars	2009-10	2008-09
Total Income	115.28	66.88
Gross Profit / (Loss) before Interest, Depreciation & Tax	10.47	(176.15)
Interest	0.25	3.60
Depreciation	2.58	7.86
Provision for Taxation (Including FBT)	NIL	1.81
Net Profit / (Loss)	7.64	(189.42)

2. DIVIDEND:

In view of inadequacy of profit, the Board does not recommend payment of dividend to the Shareholders for the year under review.

3. RETROSPECTIVE AND PROSPECTIVE REVIEW OF OPERATIONS:

Upon completion of the takeover activities, the new management pursued and obtained the Mining Lease for Modhera oil field (located in the Cambay Basin in close proximity to Baola field). In addition, for Modhera, the Company took over the management of the field in February 2009 (the Production Sharing Contract for Modhera had been previously signed by the Company in the year 2001).

The 3D seismic data acquisitions of Baola and Modhera were conducted as planned and were completed during the year. Data processing for both fields were also completed but interpretation work could only be finalized for Baola during the year under review. The interpretation work for Modhera was still in progress as at the end of the year.

The seismic interpretation results for Baola have provided the Company with a few leads for drilling of a proposed well. The Company, after extensive technical analysis, has selected the best technically acceptable geological location for drilling an exploratory cum development well. The well is scheduled to be spud in the second quarter of the 2010-11 financial year. In addition, your Company is also planning to drill a well in Modhera during the third or the fourth quarter of the 2010-2011 financial year, if the seismic prognosis results in credible drilling leads.

It is hoped that the production of oil/gas from the Baola field and oil/gas from Modhera field (contingent on the outcome of a drilling phase) is expected to commence from the financial year 2010-11 and 2011-12 respectively.

On the international front, the Company's wholly-owned subsidiary, Interlink Petroleum Pte. Limited (incorporated in Singapore during the year 2008-09), has yet to commence operations.

4. MANAGEMENT DISCUSSION AND ANALYSIS:

4.1 Industry Structure and Developments:

The petroleum industry in India remains regulated by the policies of the Government of India. The industry, however, faces tough challenges from the environmental policies being

implemented in the country which are getting stricter with each passing day. This is impacting the industry, resulting in delays in project implementation as well as adding to finding and developing costs. Further, the recent apex court pronouncement on the ownership of gas and its pricing guidelines relating to gas related transactions has also changed the industry landscape.

4.2 Opportunities and Challenges:

The price of oil appears to be maintaining a level of approximately US\$60 - US\$80 per barrel. This has catalyzed the industry and exploration and development activities are on the uptrend. This current oil price level is expected to remain in the medium term. The rise in oil prices may result in an escalation in service costs to its pre-downturn levels.

In contrast, the natural gas prices that had plunged along with oil prices have not rebounded to their pre-downturn levels and are still posing some challenges to the gas producers. Natural gas, remains a largely a regional product and continues to be monopolized by the suppliers or consumers or transporters.

4.3 Operations and Performance:

Overall Review:

The Company seized a partial advantage of the economic downturn in late 2008 and carried out its operations, mainly the 3D seismic acquisition, processing and interpretation at moderate costs. We also achieved our objective of completing the program on schedule, enabling us to plan for a drilling program to commence by mid 2010.

In this area the Company will continue to seek opportunities to obtain competitive pricing for services.

Quality, Health, Safety & Environment:

Your Company is committed to protect the health, safety and environment in all aspects of its work. The Company therefore places high emphasis on compliance to its HSE policy by all the stake holders, the employees, contractors and associates.

4.4 Future Outlook:

Threats :

As is the case with any oil and gas exploration and production player, the Company's overall performance is impacted by oil / gas price and finding, development and operational costs. The size of the Company's future revenue will rely on successful development of the fields being held and will also depend on oil and gas prices prevailing in the international market. To try to mitigate fluctuations in the Company's performance with oil price fluctuations, the Company may resort to processes such as hedging. Such measures will be suitably undertaken at the appropriate time. In the meanwhile, the gas price continues to remain a challenge for the Company as the estimated gas accumulations in its fields requires a reasonable price support for it to be economically produced.

Efforts are being made by the Company to secure such gas prices from its present and prospective consumers.

4.5 Internal Control Systems and Risk Management:

The Company is already practicing an adequate Internal Control System 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.

4.6 Financials:

A brief of the financial analysis of the Company's operations for the year is given herein above and therefore the same is not repeated.

4.7 Cautionary Statement :

Certain Statements made in the Management Discussion & Analysis may be "Forward-looking statements" within the meaning of applicable securities laws & regulations and actual results may differ materially from those expressed and implied. Factors that could make differences to the Company's operations include competition, price realizations, changes in the Government policies and regulations, tax regimes, economic development within India and other incidental factors.

5. CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES :

During the year under review, the Company issued and allotted 65,20,000 shares to Non Promoter Foreign Investors in compliance with SEBI (ICDR) Regulations, 2009, on repatriation basis, to raise funds to undertake substantial expansion of operational activities, to meet a part of the proposed capital expenditure and to augment long term working capital requirement of the Company. These shares have also been listed on the Bombay Stock Exchange Limited

6. SIGNIFICANT DEVELOPMENTS

During the year, M/s. Jit Sun Investments Pte. Limited Singapore, the Promoter of the Company, transferred its entire shareholding in the Company (1,03,10,000 Equity shares representing 41.37% of the paid up capital of the Company) to its wholly owned subsidiary, M/s. Loyz Oil Pte. Limited, Singapore, with due compliance of SEBI (SAST) Regulation.

As per communication received from M/s Jit Sun Investments Pte Limited (one of the Company's promoters) and Mr. Kenneth Gerard Pereira, they have on 28th April 2010, entered into a Share Purchase Agreement with M/s Sim Siang Choon Limited, a Company listed in the Singapore Stock Exchange, proposing to sell their shareholding (total of 11,934,000 shares) in the Company, in exchange of shares in M/s Sim Siang Choon Limited subject to approval of the relevant authorities in India and Singapore.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed;

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31st, 2010 and of the Profit of the Company for the year;
- iii) that the Directors have taken proper and sufficient care to maintain 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;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

8. DIRECTORS :

Mr. Vijay Misra and Mr. Bikash Chandra Bora, the Directors, retire at the ensuing Annual General Meeting and being eligible, they have offered themselves for reappointment.

For perusal of the Shareholders, a brief resume of the Directors being reappointed, their nature of expertise, their shareholding in the Company, the names of the Companies in which they hold directorship and the details of their membership of the Committees of the Board are given as Annexure – I to the notice, as required under clause 49 IV G of the Listing Agreement. The Board recommends their reappointment.

9. CORPORATE GOVERNANCE:

Your Company has complied with the requirements of Clause 49 of the Listing Agreement relating to Corporate Governance in all material respects as applicable, during the year under review.

A report on Corporate Governance, together with a Certificate of its Compliance, forms part of this report in the enclosed Annexure - III.

10. SUBSIDIARY COMPANY:

The Directors' and Auditors' Reports and Accounts of the Subsidiary Company are annexed to this report along with the statement pursuant to Section 212 of the Companies Act, 1956.

11. STATUTORY DISCLOSURES:

11.1 Personnel :

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

11.2 Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

As required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in the enclosed Annexure-II.

11.3 Consolidated Financial Statements:

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

12. PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any public deposits as per under Section 58A of the Companies Act 1956.

13. AUDITORS, AUDIT REPORT AND AUDITED ACCOUNTS :

M/s Shirish Desai & Co., Chartered Accountants, retire as Auditors at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

14. ACKNOWLEDGEMENTS :

Your Directors place on record their sincere appreciation for the continued co-operation and support extended by you and the service providers, to the Company. Your Directors would also like to record their gratitude for the support and co-operation received by your Company from agencies of the Government of India namely, Ministry of Petroleum and Natural Gas, Directorate General of Hydrocarbons and Government of Gujarat . Your Directors also express their sincere appreciation to our dedicated employees for their continuing efforts towards the growth of your Company.

For and on behalf of the Board,

Place: Noida
Date: 10-06-2010

Bikash Chandra Bora
Chairman

ANNEXURE - II

Information in accordance with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

A. CONSERVATION OF ENERGY :

FORM – A

Disclosure of particulars with respect to conservation of energy.

a. Power and Fuel Consumption :

	Current Year 2009-10	Previous Year 2008-09
1. Electricity		
(a) Purchased		
No. of Unit	35162	13930
Total amount (Rs.)	196318	132335
Rate per Unit (Rs.)	5.58	9.50
(b) Own generation	N.A.	N.A.
(i) Through diesel generator		
Unit KWH		
Total amount (Rs.)		
Rate per Unit		
(ii) Through steam turbine/generator	N.A.	N.A.
Units		
Units per liter of fuel oil/gas		
Cost / Unit		
(c) Wind Electricity Generator	N.A.	N.A.
Unit KWH		
Total amount (Rs.)		
Rate per Unit		
2. Coal (specify quality and where used)	N.A.	N.A.
Quantity (tonnes)		
Total Amount.		
Average rate.		
3. L D O	N.A.	N.A.
Quantity (k. ltrs)		
Total Amount.		
4. Other / (Natural Gas)	N.A.	N.A.
Quantity (kg.)		
Total amount (Rs.)		
Rate / Per (kg.) (Rs.)		
5. HI SPEED DIESEL OIL	N.A.	N.A.
Quantity (kg.)		
Total amount (Rs.)		
6. HCR	N.A.	N.A.
Quantity (K.Ltrs)		
Total amount (Rs.)		

b. Consumption per Unit of Production :

	Current Year 2009-2010	Previous Year 2008-2009
Product	Not applicable	Not applicable
Unit	Not applicable	Not applicable
Electricity (units per S.C.M.)	Not Applicable	Not Applicable

B. TECHNOLOGY ABSORPTION :

Research and Development (R&D) :

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

Technology Absorption, Adaptation and Innovations :

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

C. Foreign Exchange Earning and Outgo :

(Rs. in Lacs)

	2009-10	2008-09
Foreign Exchange Earned	NIL	NIL
Foreign Exchange Used	129.00	52.02

As per our report of even date.

For Shirish Desai & Co.

Chartered Accountants
(Firm Registration No. 112226W)

Dilip K. Thakkar
Partner
Membership No. 31269

Kenneth Gerard Pereira
Managing Director

Vijay Misra
Director

Place : Noida
Date : 10-06-2010

Gopal Srinivasan
Chief Finance Officer

Bharat Patel
Dy. Company Secretary