

OIL INDIA INTERNATIONAL B.V.

Amsterdam, The Netherlands

Annual Financial Statements

For the year ended 31st March 2025

Address of the Company	:	Bos en Lommerplein 280, 1055RW, Amsterdam
Chamber of Commerce	:	Amsterdam, the Netherlands
File number	:	60.60.57.31

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Management Board's report

The management herewith presents the financial statements of Oil India International B.V. (hereinafter "the Company") for the year ended 31st March 2025.

General

The limited liability Company was incorporated under the laws of the Netherlands on 2nd May 2014, having its statutory seat in Amsterdam and its business seat at Bos en Lommerplein 280, 1055RW, in Amsterdam, the Netherlands. The Company is a wholly owned subsidiary of Oil India Ltd, India.

The activity of the Company is to act as a holding and financing company for its Joint Venture WorldAce Investments Limited (hereinafter "WorldAce"). The Company holds 50% of the shares in WorldAce, the other 50% is owned by Petroneft. WorldAce is incorporated under the laws of Cyprus and its principal activities consist of oil and gas exploration, development and production. WorldAce owns 100% of the voting equity in Stimul-T LLC (hereinafter "Stimul-T"), a Russian registered legal entity, which owns and operates Licence 61 in the Tomsk region of the Russian Federation.

Going concern

There is a potential material uncertainty regarding the going concern. This is based upon the negative shareholders' equity of the Company as well as of its Joint Venture, WorldAce and the breach of loan covenants. The Company has net assets of USD 107,735,808 (negative) as at 31st March 2025.

The subsidiary of WorldAce, Stimul-T, had applied for bankruptcy on 10th May 2023. This application was accepted by the Arbitration Court of Tomsk, and the court in its ruling dated 08th November 2023 appointed a Temporary Manager (Bankruptcy Trustee) and initiated the supervision stage of bankruptcy which is currently in progress. The actual status of liabilities/recoverabilities will be known/ensured only after the completion of Bankruptcy process of Stimul-T. Considering the circumstances, the management categorised loans and interest receivables as 'Stage -3 -Credit impaired financial asset' as per IFRS 9 in the financial statements for the year ended 31st March 2023 therefore, the provision for impairment was created on for the entire amount of loans and interest thereon. As on the date of signing of current financial statements, no other information is available.

Review of the development and performance of the Business, Results and Dividends

The Company realized a loss of USD 6,920,205 during the year 2024-2025. The managing directors do not recommend payment of a dividend. According to the last reported figure on Oil production, 437,998 barrels of oil were produced in 2022 (2021: 610,681).

Risk and uncertainties

Management is of the opinion that the Company has sufficient and adequate risk procedures implemented.

Board of directors

The board is aware of Article 2:276 of the Dutch Civil Code ("DCC"). This legislation became effective as per 1st January 2013 and includes specific guidelines for the composition of a board of directors. As of 31st March 2025, the minimum level of 30% female directors has not been achieved. For future appointments of the board members, all relevant aspects will be taken into consideration. Such aspects include, but are not limited to, the aforementioned articles of the DCC, other applicable guidelines and legislation, availability of appropriate candidates based on charter and internal Group quality guidelines. This to ensure an appropriate level of experience and expertise is available in the respective boards.

Management Board's report (cont'd)

Future developments

The pipeline connecting Licence 61 to the Transneft system is owned and operated by Nord Imperial (NI), a wholly owned subsidiary of OVL. As informed by Petroneft, following a long drawn tariff dispute between Stimul-T and NI, the pipeline was shut down by NI on the 21st August 2022. Despite numerous meetings between Stimul-T and NI and the continuing litigation proceedings, no resolution could be achieved.

As informed by Petroneft, apart from minor volumes of oil exported during the winter months utilising ice roads, Stimul-T has had to suspend all operation on the oil fields in Licence 61 at the beginning of Q4 of 2022-2023 which has resulted in no revenue to pay its debts as they fall due. Due to the adverse operational and financial circumstances, the General Director of Stimul-T submitted an application for bankruptcy of LLC Stimul-T on 10th May 2023. The application for bankruptcy has been accepted by the Arbitration Court of Tomsk and the court in its ruling dated 08th November 2023 appointed a Temporary Manager (Bankruptcy Trustee) and initiated the supervision stage of bankruptcy, which is currently in progress.

The actual status of liabilities/recoverabilities will be known/ensured only after the completion of Bankruptcy process of Stimul-T. Considering the circumstances, the management categorised loans and interest receivables as 'Stage -3 -Credit impaired financial asset' as per IFRS 9 in the financial statements for the year ended 31st March 2023 therefore, the provision for impairment was created on for the entire amount of loans and interest thereon. As on the date of signing of current financial statements, no other information is available.

Managing Directors:

Mr. R. Goswami

Mr. S. Maharana

Mr. R. Gangolli

Ms. S. A. Malekar

Signed on, _____ 2025

Statement of financial position as at 31st March 2025
(before appropriation of the result and expressed in USD)

	<u>Notes</u>	<u>31-Mar-2025</u>	<u>31-Mar-2024</u>
NON-CURRENT ASSEST	5		
Investment in joint venture		1	1
		<u>1</u>	<u>1</u>
CURRENT ASSEST			
Trade and other receivable		3,703	2,945
CIT receivable 2023-24		-	1,146
Cash at bank		60,308	3,313
		<u>64,011</u>	<u>7,404</u>
CURRENT LIABILITIES	7		
Loans due to shareholder		13,200,000	13,200,000
Interest due to shareholder		49,324,445	42,477,682
Trade and other payables		60,375	145,326
		<u>62,584,820</u>	<u>55,823,008</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(62,520,809)</u>	<u>(55,815,604)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(62,520,808)	(55,815,603)
LONG TERM LIABILITIES	7		
Loans due to shareholder		45,215,000	45,000,000
TOTAL LONG TERM LIABILITIES		45,215,000	45,000,000
		<u>(107,735,808)</u>	<u>(100,815,603)</u>
CAPITAL AND RESERVES	8		
Issued and paid-up capital		32,020,590	32,008,747
Share premium reserve		1	1
Currency translation reserve		4,284,095	4,295,938
Retained earnings		(137,120,289)	(129,964,630)
Result for the year		(6,920,205)	(7,155,659)
		<u>(107,735,808)</u>	<u>(100,815,603)</u>

The accompanying notes form part of these accounts.

Statement of profit and loss and other comprehensive income for the year ended 31st March 2025
(expressed in USD)

	<u>Notes</u>	<u>1-Apr-2024 to 31-Mar-2025</u>	<u>1-Apr-2023 to 31-Mar-2024</u>
FINANCIAL INCOME/(EXPENSES)	7		
Interest expense on loan		(6,846,763)	(7,063,673)
Foreign exchange result		(12,975)	4,660
		<u>(6,859,738)</u>	<u>(7,059,013)</u>
OTHER EXPENSES			
General and administrative expenses		<u>(58,111)</u>	<u>(90,326)</u>
OPERATING RESULT BEFORE TAXATION		<u>(6,917,849)</u>	<u>(7,149,340)</u>
TAXATION			
Corporate income tax		(2,356)	(6,319)
RESULT FOR THE PERIOD/YEAR		<u>(6,920,205)</u>	<u>(7,155,659)</u>
		<u>1-Apr-2024 to 31-Mar-2025</u>	<u>1-Apr-2023 to 31-Mar-2024</u>
RESULT FOR THE PERIOD/YEAR		(6,920,205)	(7,155,659)
Other comprehensive income to be reclassified to profit or loss in subsequent years		-	-
Foreign exchange result		-	-
Total comprehensive profit/(loss) for the period/year		<u><u>(6,920,205)</u></u>	<u><u>(7,155,659)</u></u>

The accompanying notes form part of these accounts.

Statement of changes in equity for the year ended 31st March 2025

	31-Mar-2025	31-Mar-2024
	USD	USD
<i>Issued and paid-up capital</i>		
Balance at beginning	32,008,747	32,198,236
Issuance of share capital	-	-
Exchange result	11,843	(189,489)
Balance at closing	<u>32,020,590</u>	<u>32,008,747</u>
<i>Currency translation reserve</i>		
Balance at beginning	4,295,938	4,106,449
Exchange result	(11,843)	189,489
Balance at closing	<u>4,284,095</u>	<u>4,295,938</u>
<i>Share premium reserve</i>		
Balance at beginning	1	1
Additions	-	-
Conversion to share capital	-	-
Exchange result	-	-
Balance at closing	<u>1</u>	<u>1</u>
<i>Accumulated deficit</i>		
Balance at beginning	(129,964,630)	(84,663,318)
Appropriation of result previous year	(7,155,659)	(45,301,312)
Balance at closing	<u>(137,120,289)</u>	<u>(129,964,630)</u>
<i>Result for the period/year</i>	<u>(6,920,205)</u>	<u>(7,155,659)</u>
Total capital and reserves	<u><u>(107,735,808)</u></u>	<u><u>(100,815,603)</u></u>

The accompanying notes form part of these accounts.

Cash Flow Statement for the year ended 31st March 2025

(expressed in USD)

	1-Apr-2024 to 31-Mar-2025	1-Apr-2023 to 31-Mar-2024
Net result	(6,920,205)	(7,155,659)
Adjustments for:		
Share in result of joint venture	-	-
Total	-	-
Operating Activities:		
Changes in working capital		
Movement in current assets	388	(4,091)
Movement in current liabilities	6,761,812	7,139,700
Total	6,762,200	7,135,609
Net cash generated from operations	(158,005)	(20,050)
Investment activities		
Other movements for financial fixed assets	-	-
Net cash generated from investment activities	-	-
Financing activities		
Long-term debt recognition	215,000	-
Movements in share capital	-	-
Net cash generated from financing activities	215,000	-
Movements in cash	56,995	(20,050)
Balance as at beginning of the period/year	3,313	23,363
Movements in cash during the period/year	56,995	(20,050)
Balance as at the end of the period/year	60,308	3,313

1. General

The Company is a limited liability company. The registered and actual address of the Company is Bos en Lommerplein 280, 1055RW Amsterdam, the Netherlands. The Company is a wholly owned subsidiary of Oil India Ltd., India. The Company is registered at the trade register under number 60605731.

The principal activities of the Company are to act as a holding and financing company.

The financial year of the Company is starts from 1st April and ends on 31st March.

In view of the international operations of the Group, the annual accounts have been drawn up in US dollar, the Company's functional currency.

2. Basis of preparation

a) Statement of compliance

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards adopted by the European Union ("EU-IFRS"), IFRIC interpretations, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

b) Basis of measurement

The financial statements have been prepared using the equity method of accounting unless specifically mentioned in the notes.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all these as presented, unless otherwise stated.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is disclosed in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income and expenses are accounted for in the period to which they relate. Profit is only included when realised on balance sheet date. Losses are recognised when realised or foreseen.

c) Going concern

There is a potential material uncertainty regarding the going concern. This is based upon the negative shareholders' equity of the Company as well as of its Joint Venture, WorldAce and the breach of loan covenants. The Company has net assets of USD 107,735,808 (negative) as at 31st March 2025.

The subsidiary of WorldAce, Stimul-T, had applied for bankruptcy on 10th May 2023. This application was accepted by the Arbitration Court of Tomsk, and the court in its ruling dated 08th November 2023 appointed a Temporary Manager (Bankruptcy Trustee) and initiated the supervision stage of bankruptcy which is currently in progress. The actual status of liabilities/recoverabilities will be known/ensured only after the completion of Bankruptcy process of Stimul-T. Considering the circumstances, the management categorised loans and interest receivables as 'Stage -3 -Credit impaired financial asset' as per IFRS 9 in the financial statements for the year ended 31st March 2023 therefore, the provision for impairment was created on for the entire amount of loans and interest thereon. As on the date of signing of current financial statements, no other information is available.

2. Basis of preparation (cont'd)

d) Foreign currency

All monetary assets and liabilities expressed in currencies other than USD have been translated at the rates of exchange prevailing at the balance sheet date, whereas non-monetary assets expressed in currencies other than USD are translated at historical rates. All transactions in foreign currencies have been translated into USD at the rates of exchange approximating those ruling at the date of the transactions. Resulting exchange differences have been recognised in the Profit and loss account except for the exchange differences arising from translation of share capital denominated in EUR, which are booked in the currency translation reserve.

The following exchange rate has been applied as at 31st March 2025:

USD 1 = EUR 0.92464 (31st March 2024: USD 1 = EUR 0.92498).

e) Critical accounting judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined using valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment.

If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate several key estimates and assumptions.

3. Significant accounting policies

a) Financial fixed assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of the joint venture are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

3. Significant accounting policies (cont'd)

Investments in joint venture (cont'd)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IFRS 9 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

b) Financial instruments

Long-term assets and liabilities are initially measured at fair value, which includes attributable transaction costs. Subsequent to initial measurement, the long-term assets and liabilities are stated at amortised cost using the effective interest method.

c) Trade and other receivables

Trade and other receivables are recognized and carried at the lower of their original face value and their recoverable amount. A provision is made where the estimated recoverable amount is lower than the carrying amount. Given the short-term maturity of these financial assets their book value is deemed to approximate their fair value.

d) Cash and cash equivalents

Cash and cash equivalents include cash at hand, bank balances and deposits held at call. Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

e) Trade accounts payable

Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are recognized at fair value and subsequently measured and amortized using the effective interest method. Given the short-term maturity of these trade accounts payable their book value is deemed to approximate their fair value.

f) Determination of income

Dividends will be recognised when declared.

Other income and expenses are recognised in the year to which they are related. Profit is only recognised when realised on balance sheet date. Losses originating before the end of the financial year are taken into account if they become known before preparation of the financial statements.

3. Significant accounting policies (cont'd)

g) Corporation tax

Corporation tax is calculated at the applicable tax rates based on the result before taxation shown in the Profit and loss account and taking into account tax allowances and tax adjustments. Deferred tax assets arising from tax loss carry forwards are only recognised if recovery is reasonably certain.

h) Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

4. Financial risk management

The Company is to a certain level exposed to the following risk:

Currency risk

Currency risk is the risk that fluctuations in the prevailing foreign currency exchange rates will affect the Company's financial position and cash flows. The Company does run limited currency risk, due to invoices in euros from its local suppliers.

Interest rate risk

Interest rate risk is that fluctuations in the prevailing levels of market interest rates will affect the Company's financial position and cash flows. The Company does not run any interest rate risk on the loans as the floating base interests used are the same on both paid and received interest within the loan agreements.

Credit risk

Credit risk is the risk that a counterpart will be unable to pay amounts in full when due. Management assesses the credit quality of the party, taking into account its financial position, past experience and other factors. Standard contracts for oil sales include advanced payment terms and collections are monitored vigorously. As the Company does not have any trade receivables outstanding from third parties, this risk is minimal.

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

5. Investment in joint venture

On 3rd July 2014, the Company acquired 50% of the shares of WorldAce.

Details of the joint venture at year end are as follows.

Name of joint venture	Principal activity	Registered office	Proportion of ownership interest
WorldAce Investments Limited	Oil and gas exploration	Cyprus	50%

The financial year-end date of WorldAce is 31st December, because it is practically impossible to change the financial year-end due to local regulations.

	31-Mar-2025 USD	31-Mar-2024 USD
Beginning of period/year	1	1
Adjustment for negative value	-	-
Result on investment for the period/year	-	-
Balance at closing	1	1

WorldAce is not able to send audited financial statements. Therefore, the management has provided best estimates regarding financial position of WorldAce for the period ended on 31st March 2024, showing loss of USD 1,873,540. As the participating interest is shown at USD 1 and loans receivable from WorldAce was fully impaired in the year 2022-23 itself, hence WorldAce loss for the year 2024-25 has not been recorded.

No dividend has been paid by the joint venture.

6. Loans and interest due from joint venture

On 3rd July 2014, the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 45,000,000 with WorldAce. As on balance sheet date the amount withdrawn under this agreement amounted to USD 45,000,000. Interest is payable at an interest rate of 6% + 3M LIBOR. The loan shall be repaid in full on or before 31st December 2025, as agreed on 24th March 2017. Due to negative NAV of WorldAce, this loan has been fully adjusted for realization of loss of WorldAce.

On 21st March 2016 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 10,000,000 with WorldAce. As per balance sheet date the amount withdrawn under this agreement amounted to USD 10,000,000. Interest is payable at an interest rate of 9% + 3M LIBOR.

According to the Facility Agreement the loan should have been repaid in full on or before 31st March 2021. At the signing of these Financial Statements, the repayment has not taken place and the repayment term has not been amended. Due to negative NAV of WorldAce, this loan has been partly adjusted for realization of loss of WorldAce.

On 24th March 2017 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 4,000,000 with WorldAce. As on balance sheet date the amount withdrawn under this agreement amounted to USD 3,200,000. Interest is payable at an interest rate of 9% + 3M LIBOR for interest accrued for the period to 31st December 2017. As long as the interest for the period to 31st December 2018 has not been paid by WorldAce, the interest on the amount withdrawn will be 14% + 3M LIBOR as from 1st January 2018. As on balance sheet date WorldAce did not pay the interest calculated on the period till 31st December 2017 nor the total amount of principal outstanding that exceeds USD 2,000,000. According to the Facility Agreement the loan should have been repaid in full on or before 31st March 2021. At the signing of these Financial Statements, the repayment has not taken place and the repayment term has not been amended.

6. Loans and interest due from joint venture (cont'd)

WorldAce is not able to repay the loans due to continuous losses from Russian assets, hence as per IFRS 9, investment in WorldAce is considered under stage 3, therefore interest income is not recorded for the year 2023-24 & for 2024-25 and accordingly further provision for impairment is also not required as on 31st March 2025.

7. Loans and interest due to shareholder

On 1st July 2014, the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 45,000,000 with its shareholder Oil India Ltd. As per balance sheet date the amount withdrawn under this agreement amounted to USD 45,000,000. Interest is payable at an interest rate of 5.65% + 3M LIBOR.

The loan shall be repaid in full on or before 31st December 2025.

On 21st March 2016 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 10,000,000 with Oil India Ltd. As on balance sheet date the amount withdrawn under this agreement amounted to USD 10,000,000. Interest is payable at an interest rate of 8.65% + 3M LIBOR. The loan should have been repaid in full on or before 7th April 2021. At the signing of these Financial Statements, the repayment has not taken place and the repayment term has not been amended.

On 24th March 2017 the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 4,000,000 with Oil India Ltd. As per balance sheet date the amount withdrawn under this agreement amounted to USD 3,200,000. Interest is payable at an interest rate of 8.65% + 3M LIBOR for interest accrued for the period to 31st December 2017. As long as the interest for the period to 31st December 2018 has not been paid by the Company, the interest on the amount withdrawn will be 13.65% + 3M LIBOR as from 1st January 2018. As on balance sheet date the Company did not pay the interest calculated on the period till 31st December 2017 nor the total amount of principal outstanding that exceeds USD 2,000,000. The loan should have been repaid in full on or before 7th April 2021. At the signing of these Financial Statements, the repayment has not taken place and the repayment term has not been amended.

During the year, the Company entered into an interest-bearing Facility Agreement in the amount of ultimately USD 1,200,000 with Oil India Ltd. As per balance sheet date the amount withdrawn under this agreement amounted to USD 215,000. Interest is payable at an interest rate of 7.12% p.a. on simple interest.

The loan shall be repaid in full on or before year 2029.

The three-month US Dollar LIBOR rates were permanently discontinued as of June 30, 2023. To facilitate the transition for "legacy contracts," synthetic versions of the three-month USD LIBOR were made available until September 30, 2024. The Alternative Reference Rate Committee (ARRC), a group convened to ensure a successful transition from US Dollar LIBOR, formally recommended (vide its publication dated July, 29 2021) Chicago Mercantile Exchange (CME) Group's forward looking Secured Overnight Financing Rate (SOFR) Term rates as an alternative to USD LIBOR.

The change in benchmark rates also necessitated a Credit Adjustment Spread (CAS) due to the difference between LIBOR and SOFR. The ARRC recommended Credit Adjustments Spread (CAS) is being adopted for LIBOR to SOFR transition. The CAS of 0.26161% is added with 3 Month Terms SOFR for transitioning of 3 month USD LIBOR. Accordingly, the interest rates have been considered as 3-months Term SOFR Rate + Credit Adjustment Spread + Margin as per existing agreements. Additionally, the company has applied the SOFR rate retroactively from July 1, 2023. Consequently, necessary adjustments have been made to account for the difference in amounts arising from the transition from LIBOR to SOFR, with these adjustments reflected in the financials for the quarter ending March 2025.

Notes to the financial statements as at 31st March 2025 (cont'd)

8. Capital and reserves

The issued and paid up share capital consists of 29,607,573 shares (31st March 2024: 29,607,573) of EUR 1 each, amounting to EUR 29,607,573 equivalent to USD 32,020,590 as at 31st March 2025 (31st March 2024: EUR 29,607,573 equivalent to USD 32,008,747).

The movements in capital and reserves can be summarised as follows:

	31-Mar-2025	31-Mar-2024
	USD	USD
Issued and paid-up capital		
Balance at beginning	32,008,747	32,198,236
Issuance of share capital	-	-
Exchange result	11,843	(189,489)
Balance at closing	<u>32,020,590</u>	<u>32,008,747</u>
Currency translation reserve		
Balance at beginning	4,295,938	4,106,449
Exchange result	(11,843)	189,489
Balance at closing	<u>4,284,095</u>	<u>4,295,938</u>
Share premium reserve		
Balance at beginning	1	1
Additions	-	-
Conversion to share capital	-	-
Exchange result	-	-
Balance at closing	<u>1</u>	<u>1</u>
Retained earnings		
Balance at beginning	(129,964,630)	(84,663,318)
Appropriation of result previous period	(7,155,659)	(45,301,312)
Balance at closing	<u>(137,120,289)</u>	<u>(129,964,630)</u>
Result for the period/year	<u>(6,920,205)</u>	<u>(7,155,659)</u>
Total capital and reserves	<u>(107,735,808)</u>	<u>(100,815,603)</u>

9. Audit fees

With reference to Section 2:382a (1) and (2) of the DCC, the following fees for the period under review will be charged by IAC Audit & Assurance to the Company for the year 2024-25 EUR 22,657 equivalent to USD 24,432 (2023-24: EUR 21,363 equivalent to USD 23,135 charged by Texture Audit B.V.).

10. Managing directors

During the period, the Company has four directors (31st March 2025: four), two of them receives remuneration. The Company has no Supervisory Directors.

11. Employees

The Company does not employ any staff and hence incurred no salary, related social security charges or pension costs in the year under review or previous year.

12. Related party transactions

Loan due from shareholder and loan to joint venture:

Related party transactions are priced at an arm's length basis. For the terms and conditions on the loans to related parties, reference is made to Note 6 Loan and interest due from joint venture and Note 7 Loans and interest due to shareholder.

13. Proposed appropriation of result

The Management proposes to carry forward the result for the financial period under review.

14. Post balance sheet events

The pipeline connecting Licence 61 to the Transneft system is owned and operated by Nord Imperial (NI), a wholly owned subsidiary of OVL. As informed by Petroneft, following a long drawn tariff dispute between Stimul-T and NI, the pipeline was shut down by NI on the 21st August 2022. Despite numerous meetings between Stimul-T and NI and the continuing litigation proceedings, no resolution could be achieved.

As informed by Petroneft, apart from minor volumes of oil exported during the winter months utilising ice roads, Stimul-T has had to suspend all operation on the oil fields in Licence 61 at the beginning of Q4 of 2022-2023 which has resulted in no revenue to pay its debts as they fall due. Due to the adverse operational and financial circumstances, the General Director of Stimul-T submitted an application for bankruptcy of LLC Stimul-T on 10th May 2023. The application for bankruptcy has been accepted by the Arbitration Court of Tomsk and the court in its ruling dated 08th November 2023 appointed a Temporary Manager (Bankruptcy Trustee) and initiated the supervision stage of bankruptcy, which is currently in progress.

The actual status of liabilities/recoverabilities will be known/ensured only after the completion of Bankruptcy process of Stimul-T. Considering the circumstances, the management categorised loans and interest receivables as 'Stage -3 -Credit impaired financial asset' as per IFRS 9 in the financial statements for the year ended 31st March 2023 therefore, the provision for impairment was created on for the entire amount of loans and interest thereon. As on the date of signing of current financial statements, no other information is available.

Managing Directors,

Mr. R. Goswami

Mr. S. Maharana

Mr. R. Gangolli

Ms. S. A. Malekar

Signed on, _____ 2025

Supplementary information

Statutory provision of appropriation of result

In accordance with article 21 of the Articles of Association the result for the year is at the disposal of the General Meeting of Shareholders. Dutch law stipulates that distributions may only be made to the extent the Company's equity is in excess of the reserves it is required to maintain by law and its Articles of Association. Moreover, no distributions may be made if the Management Board is of the opinion that, by such distribution, the Company will not be able to fulfil its financial obligations in the foreseeable future.

Statement regarding the Audit requirement

In order to comply with the group audit requirements of the ultimate Indian holding company, these financial statements are being prepared for the period 1st April 2024 to 31st March 2025. The independent auditor's report will be provided at the year end 2024-25.