OIL INDIA INTERNATIONAL B.V.

Amsterdam, The Netherlands

Annual Financial Statements

For the year ended 31st March 2024

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

IAC AUDIT & ASSURANCE
Laan van 's-Gravenmade 74
2495 AJ Den Haag
Tel. nr: 070-2192770
KvK Den Haag nr: 77096134

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The management herewith presents the financial statements of Oil India International B.V. (hereinafter "the Company") for the year ended 31st March 2024.

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 100,815,603 (negative).

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. The provision for impairment was created on 31st March 2023 for the entire amount of loans and interest thereon. Considering the present 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 2024. 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 7,155,659 during the year ended 31st March 2024. 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 2024, 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.

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. The provision for impairment was created on 31st March 2023 for the entire amount of loans and interest thereon. Considering the present 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 2024. 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, 13 May 2024

Statement of financial position as at 31st March 2024

(before appropriation of the result and expressed in USD)

	Notes	31 Mar 2024	31 Mar 2023
NON-CURRENT ASSEST			
Investment in joint venture	5	1	1
		1	1
CURRENT ASSEST			
Loans & Interest due from joint venture	6	-	-
Trade and other receivable		4,091	-
Cash at bank		3,313	23,363
		7,404	23,363
CURRENT LIABILITIES			
Loans due to shareholder	7	13,200,000	13,200,000
Interest due to shareholder	7	42,477,682	35,414,009
Trade and other payables		145,326	69,299
		55,823,008	48,683,308
NET CURRENT ASSETS/(LIABITITIES)		(55,815,604)	(48,659,945)
TOTAL ASSETS LESS CURRENT LIABILITIES		(55,815,603)	(48,659,944)
LONG TERM LIABILITIES			
Loans due to shareholder	7	45,000,000	45,000,000
TOTAL LONG TERM LIABILITIES		45,000,000	45,000,000
		(100,815,603)	**(93,659,944)**
CAPITAL AND RESERVES			
Issued and paid-up capital	8	32,008,747	32,198,236
Share premium reserve	8	1	1
Currency translation reserve	8	4,295,938	4,106,449
Retained earnings	8	(129,964,630)	(84,663,318)
Result for the year	8	(7,155,659)	(45,301,312)
		(100,815,603)	**(93,659,944)**

The accompanying notes form part of these accounts.

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Statement of profit and loss and other comprehensive income for the year ended 31st March 2024

(expressed in USD)

	Notes	01 Apr 2023 to 31 Mar 2024	01 Apr 2022 to 31 Mar 2023
FINANCIAL INCOME/(EXPENSES)			
Interest income on loan	6	-	5,760,029
Interest expense on loan	7	(7,063,673)	(5,556,329)
Foreign exchange result		4,660	(429)
Provision for impairment of loans & interest		-	(42,543,981)
Share of profit / (loss) of joint venture		-	(2,759,409)
		(7,059,013)	(45,100,119)
OTHER EXPENSES			
General and administrative expenses		(90,326)	(200,429)
OPERATING RESULT BEFORE TAXATION		(7,149,340)	(45,300,548)
TAXATION			
Corporate income tax		(6,319)	(764)
RESULT FOR THE YEAR		(7,155,659)	(45,301,312)

	01 Apr 2023 to 31 Mar 2024	01 Apr 2022 to 31 Mar 2023
RESULT FOR THE YEAR	(7,155,659)	(45,301,312)
Other comprehensive income to be reclassified to profit or loss in subsequent years	-	-
Foreign exchange result	-	-
Total comprehensive profit/(loss) for the year	**(7,155,659)**	**(45,301,312)**

The accompanying notes form part of these accounts.

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Statement of changes in equity for the year ended 31st March 2024

	31 Mar 2024 USD	31 Mar 2023 USD
Issued and paid-up capital		
Balance at beginning	32,198,236	32,683,905
Issuance of share capital	-	161,101
Exchange result	(189,489)	(646,770)
Balance at closing	32,008,747	32,198,236
Currency translation reserve		
Balance at beginning	4,106,449	3,451,353
Exchange result	189,489	655,096
Balance at closing	4,295,938	4,106,449
Share premium reserve		
Balance at beginning	1	1
Additions	-	169,427
Conversion to share capital	-	(161,101)
Exchange result	-	(8,326)
Balance at closing	1	1
Accumulated deficit		
Balance at beginning	(84,663,318)	(77,394,939)
Appropriation of result previous year	(45,301,312)	(7,268,379)
Balance at closing	(129,964,630)	(84,663,318)
Result for the year	(7,155,659)	(45,301,312)
Total capital and reserves	**(100,815,603)**	**(93,659,944)**

The accompanying notes form part of these accounts.

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Cash Flow Statement for the year ended 31st March 2024

(expressed in USD)

	01 Apr 2023 to 31 Mar 2024	01 Apr 2022 to 31 Mar 2023
Net result	(7,155,659)	(45,301,312)
Adjustments for:		
Share in result of joint venture	-	2,759,409
Total	-	2,759,409
Operating Activities:		
Changes in working capital		
Movement in current assets	(4,091)	16,687,932
Movement in current liabilities	7,139,700	27,330,950
Total	7,135,609	44,018,882
Net cash generated from operations	**(20,050)**	**1,476,979**
Investment activities		
Other movements for financial fixed assets	-	20,104,128
Net cash generated from investment activities	-	**20,104,128**
Financing activities		
Long-term debt recognition	-	(21,747,521)
Movements in share capital	-	169,427
Net cash generated from financing activities	-	**(21,578,094)**
Movements in cash	(20,050)	3,014
Balance as at beginning of the period	23,363	20,349
Movements in cash during the period	(20,050)	3,014
Balance as at the end of the period	**3,313**	**23,363**

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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 2023/2024 covers the period from 1st April 2023 till 31st March 2024.

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 100,815,603 (negative).

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. The provision for impairment was created on 31st March 2023 for the entire amount of loans and interest thereon. Considering the present 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 2024. 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 2024:

USD 1 = EUR 0.92498 (31st March 2023: USD 1 = EUR 0.91954).

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.

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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.

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4. Financial risk management (cont'd)

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 2024	31 Mar 2023
	USD	USD
Beginning of year	1	1
Adjustment for negative value	-	2,759,409
Result on investment for the period	-	(2,759,409)
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 recivable from WorldAce was fully impaired in the year 2022-23 itself, hence WolrdAce loss for the year 2023-24 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 per 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.

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

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 per 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 per 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.

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 and accordingly further provision for impairement is also not required as on 31st March 2024.

The movements in loan due from joint venture can be summarised as follows:

	31 Mar 2024	31 Mar 2023
	USD	USD
Loans due from Joint venture at the beginning	-	8,314,298
Result on investment for the period	-	(2,759,409)
Provision for impairment	-	(5,554,889)
Loans due from Joint venture at the closing	-	-
Long term interest due from Joint venture at the beginning	-	22,863,538
Addition during the year	-	-
Reclasification during the year	-	(22,863,538)
Long Term interest due from Joint venture at the closing	-	-
Short term interest due from Joint venture at the beginning	-	8,365,524
Reclasification during the year	-	22,863,538
Addition during the year	-	5,760,030
Provision for impairment	-	(36,989,092)
Short term Interest due from Joint venture at the closing	-	-

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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 per 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 per 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.

Due to bankruptcy of Stimul-T, the actual status of liabilities will be known only after the completion of Bankruptcy process. Therefore, according to IFRS 9, the shareholders had categorised loans & interest receivable from the Company as at 'Stage 3 -Credit impaired financial asset' and stopped accruals for interest income. Although, using conservative approach, the Company has decided to make accruals for interest payable on loans for the year 2023-24.

The three month US Dollar LIBOR rates are permanently ceased to be published with effect from 30th June 2023 and in order to ease the transition for "legacy contracts", Synthetic versions of three month USD LIBOR are available until 30th September 2024. The Company has not yet finalised alternative interest rates to be used for loans received from Oil India Ltd. and transfer pricing analysis is also in process, hence, these financials are prepared as per three months LIBOR rates.

8. Capital and reserves

The issued and paid up share capital consists of 29,607,573 shares (31st March 2023: 29,607,573) of EUR 1 each, amounting to EUR 29,607,573/ USD 32,008,747 as at 31st March 2024 (31st March 2023: EUR 29,607,573/ USD 32,198,236).

On 26th October 2022, the Company issued 165,266 new shares with a nominal value of 1 EUR each. These new shares were fully paid up by conversion of the share premium reserve to the same amount of the total nominal value of the new shares. The total amount involved was EUR 165,266/ USD 161,101.

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8. Capital and reserves (cont'd)

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

	31 Mar 2024	31 Mar 2023
	USD	USD
Issued and paid-up capital		
Balance at beginning	32,198,236	32,683,905
Issuance of share capital	-	161,101
Exchange result	(189,489)	(646,770)
Balance at closing	32,008,747	32,198,236
Currency translation reserve		
Balance at beginning	4,106,449	3,451,353
Exchange result	189,489	655,096
Balance at closing	4,295,938	4,106,449
Share premium reserve		
Balance at beginning	1	1
Additions	-	169,427
Conversion to share capital	-	(161,101)
Exchange result	-	(8,326)
Balance at closing	1	1
Accumulated deficit		
Balance at beginning	(84,663,318)	(77,394,939)
Appropriation of result previous period	(45,301,312)	(7,268,379)
Balance at closing	(129,964,630)	(84,663,318)
Result for the year	(7,155,659)	(45,301,312)
Total capital and reserves	**(100,815,603)**	**(93,659,944)**

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Disclosure of off-balance sheet commitments

According to the Joint Venture Agreement concluded between partners viz Oil India Limited, Oil India International B.V., WorldAce and PetroNeft, WorldAce, is making cash calls for financing of its operations.

Under the Joint Venture Agreement between partners, Petroneft provides certain corporate management services (CMSA) to WorldAce. As per the latest information/ document shared by PetroNeft, the outstanding amount due on account of CMSA cost as of 31st December 2023 is USD 1,523,603 (OIIBV's share USD 761,801). However, WorldAce has not raised any cash call on partners up to the date of signing of these financial statements.

9. Audit fees

With reference to Section 2:382a (1) and (2) of the DCC, the following fees for the year under review have been charged by IAC Audit & Assurance to the Company for the year 2023-24 EUR 21,363/ USD 23,095 (2022-23: EUR 21,363 / USD 23,232 charged by Texture Audit B.V.).

10. Managing directors

The Company has four managing directors (31st March 2024: four), none of them receives remuneration. During the year on 29th February 2024 Biswabrata Lahkar has resigned and on 4th April 2024 Mr. Ranjan Goswami has been appointed as director. 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.

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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. The provision for impairment was created on 31st March 2023 for the entire amount of loans and interest thereon. Considering the present 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 2024. As on the date of signing of current financial statements, no other information is available.

Managing Directors,

Mr. R. Goswami | **Mr. S. Maharana** | Romit Gangolli **Mr. R. Gangolli** | S. A. Malekar **Ms. S. A. Malekar**

Signed on, 13 May 2024

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 Auditor's report

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 2023 to 31st March 2024. The independent auditor's report is set out on next the page.

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INDEPENDENT AUDITOR'S REPORT

To: The shareholders of Oil India International B.V.

Report on the audit of the financial statements 2023/2024 included in the annual report.

Our disclaimer of opinion
We were engaged to audit the financial statements 2023/2024 of Oil India International BV based in Amsterdam.

Due to the significance of the matters described in the 'Basis for our disclaimer of opinion' section, we do not express an opinion on the accompanying financial statements of the company as a whole. We have not been able to obtain sufficient appropriate audit evidence regarding the joint venture "World Ace Investment Ltd" to provide a basis for an audit opinion on the accompanying financial statements as a whole.

The financial statements 2023/2024 are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the statement of financial position as at 31 March 2024;
2. the following statements for 2023/2024:
   the income statement, the statements of comprehensive income, changes in equity and cashflows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our disclaimer of opinion
Oil India International B.V.'s joint venture investment in WorldAce Investments Limited, a foreign associate acquired during the year 2014-2015 and accounted for by the equity method, is carried at USD 1 on the balance sheet as at 31 March 2024.

We were unable to obtain sufficient appropriate audit evidence about the carrying amounts of Oil India International B.V.'s loan due from WorldAce Investments Limited as at 31 March 2024 and Oil India International B.V.'s share of WorldAce Investments Limited's result for the year, due to the fact that there were no audited financial statements of WorldAce Investments Limited available as at 31 March 2024. As a result, we were unable to determine whether any adjustments were necessary with regards to the share in the joint venture "World Ace Investment Ltd".

Material uncertainty related to going concern

We draw attention to the going concern paragraph on page 9 of the financial statements, which indicates that the company's joint venture WorldAce Investments Ltd incurred significant losses during the previous years and the subsidiary Stimul-T LLC of the joint venture WorldAce Investments Limited has filed for bankruptcy on 10 May 2023.

As of 31 March 2024, the company's equity remain negative, due to the aforementioned circumstances as well as the breach of the loan covenants.

These conditions, along with ether matters as set forth in the note 'going concern', indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on the other information included in the annual report

Except for the possible effects of the matters described in the 'Basis for our disclaimer of opinion', we conclude, based on the following procedures performed, that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information as required by Part 9 of Book 2 of the Dutch Civil Code.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of these performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of

accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.
Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The management is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. However, due to the matter/matters described in the 'Basis for our disclaimer of opinion' section, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

We are independent of Oil India International BV in accordance with the Dutch Standards on Auditing as well as the Verordening insane de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

For a further explanation of our responsibilities and audit procedures, we refer to the website of the NBA: Koninklijke Nederlandse Beroepsorganisatie van Accountants: http://www.nba.nl/ENG algemeen 01.

The Hague, 13th May 2024

IAC Audit & Assurance B.V.

drs. S. Ramdas RA