

**BPRL INTERNATIONAL B.V.**

Schiphol Boulevard 403, 1118 BK Schiphol

**CONSOLIDATED ANNUAL REPORT**

For the year ending on 31 March 2023

Entry number in the trade register of the Dutch Chamber of Commerce : 34 298 165

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**Consolidated Balance sheet as at 31 March 2023**

	Notes	31 March 2023	31 March 2022
		USD	USD
<b>ASSETS</b>			
<b>Tangible fixed assets</b>			
Capital work-in-progress	1	1.278.967.227	1.282.815.855
Total Tangible fixed assets		<u>1.278.967.227</u>	<u>1.282.815.855</u>
<b>Financial fixed assets</b>			
Investments	2	267.937.742	240.022.101
Loans	3	424.837.408	399.863.676
Other financial fixed assets	4	16.421.214	15.502.683
Advances	5	36.029.450	33.649.935
Long term receivables	6	-	-
Total financial fixed assets		<u>745.225.814</u>	<u>689.038.396</u>
<b>Current assets</b>			
Loan and advances	7	3.402.951	3.510.147
Other current assets	8	12.630.951	19.540.375
Cash and cash equivalents	9	10.076.149	2.158.605
Total current assets		<u>26.110.051</u>	<u>25.209.128</u>
<b>TOTAL ASSETS</b>		<b><u>2.050.303.092</u></b>	<b><u>1.997.063.379</u></b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
	10		
Issued and paid-up capital		718.931.639	737.792.432
Translation reserve		119.801.317	126.571.752
Accumulated Profit/ (Losses)		(1.149.054.050)	(1.069.179.795)
Result for the year		(145.777.974)	(82.580.347)
Total equity		<u>(456.099.068)</u>	<u>(287.395.958)</u>
<b>Provisions</b>			
	11	2.590.000	2.590.000
<b>Long term liabilities</b>			
Loan from bank	12	2.080.000.000	1.450.000.000
Loan from shareholder	13	83.500.000	25.000.000
Total long term liabilities		<u>2.163.500.000</u>	<u>1.475.000.000</u>
<b>Current liabilities</b>			
Accounts payable	14	2.327.403	1.699.505
Bank borrowings	14a	337.984.757	805.169.831
Total current liabilities		<u>340.312.160</u>	<u>806.869.336</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b><u>2.050.303.092</u></b>	<b><u>1.997.063.379</u></b>

The accompanying notes form an integral part of the consolidated financial statements.

**Consolidated Profit and Loss account for the year ended 31 March 2023**

	Notes	1 April 2022 to 31 March 2023	1 April 2021 to 31 March 2022
		USD	USD
<b>Operating expenses</b>			
Other income		-	-
		-	-
<b>Operating &amp; Other expenses</b>			
General and administration expenses		(997.471)	(5.082.925)
Capital Work in Progress - impairment	1a	(26.119)	(1.727.120)
Suspension cost	1a	(23.664.195)	(46.225.190)
Legal and corporate expenses		(131.875)	(139.987)
Professional expenses		(173.113)	(677.340)
Audit expenses		(363.869)	(292.439)
Other expenses		(103.995)	(73.376)
<b>Total operating expenses</b>		<b>(25.460.637)</b>	<b>(54.218.377)</b>
<b>Financial income &amp; expenses</b>			
Interest on fixed deposit/bank account		163.259	2.750
Loan related expenses	16	(114.050.288)	(50.540.505)
Loan related income	18	16.274.413	10.964.148
Provision other receivables	17	(4.850.700)	(10.536.702)
Capitalized borrowing costs less provision	1b	65.482.946	28.743.359
Exchange result		(72.283)	61.831
Bank charges		(22.735)	(25.897)
<b>Total financial income &amp; expenses</b>		<b>(37.075.388)</b>	<b>(21.331.016)</b>
<b>Exceptional Items - income &amp; (expense)</b>			
Impairment of Assets under Development	1c	(94.787.406)	-
<b>Total Exceptional Items income &amp; (expense)</b>		<b>(94.787.406)</b>	<b>-</b>
<b>Profit/(Loss) before tax</b>		<b>(157.323.431)</b>	<b>(75.549.393)</b>
Tax on income	19	-	-
Share of profit/(loss) from joint venture	2, 3a	11.545.457	(7.030.954)
<b>Net Profit/(Loss) after tax</b>		<b>(145.777.974)</b>	<b>(82.580.347)</b>

The accompanying notes form an integral part of the consolidated financial statements.

## Notes to the consolidated financial statements

### General

#### Activities

The principal objectives of BPRL International B.V. ("the Company") are to participate in, to administer, to finance, to conduct the management of and to render advice and service to other companies and enterprises.

The statutory seat of the Company is in Amsterdam and the principal executive office of the Company is located at Schiphol Boulevard 403, 1118 BK Schiphol, The Netherlands. The Company is registered in the trade register of the Dutch Chamber of Commerce under number 34 298 165.

#### Holding Company

Name	Country of incorporation	Type	% holding	
			31 Mar 2023	31 March 2022
Bharat PetroResources Limited (BPRL)	India	Holding Company	100%	100%
Bharat Petroleum Corporation Limited (BPCL)	India	Ultimate Holding Company	100%	100%

#### Group Companies (Subsidiaries, Joint Ventures and Associates):

Name	Country of incorporation	Type	% holding		Accounting Method
			31 Mar 2023	31 March 2022	
BPRL Ventures BV * <sup>1</sup>	Netherlands	Subsidiary	100%	100%	Line by Line consolidation
BPRL Ventures Mozambique BV * <sup>2</sup>	Netherlands	Subsidiary	100%	100%	Line by Line consolidation
BPRL Ventures Indonesia BV * <sup>3</sup>	Netherlands	Subsidiary	100%	100%	Line by Line consolidation
BPRL International Ventures BV * <sup>4</sup>	Netherlands	Subsidiary	100%	100%	Line by Line consolidation
IBV (Brasil) Petroleo Ltda.* <sup>1</sup>	Brazil	Participating interest with significant influence	61,36%	60,88%	Net asset value
Falcon Oil & Gas BV * <sup>4</sup>	Netherlands	Participating interest with significant influence	30%	30%	Net asset value
Moz LNG1 Holding Company Ltd * <sup>5</sup>	UAE	Participating interest with significant influence	10%	10%	Changed from Held at cost to held at cost plus share in result.

## **Notes to the consolidated financial statements**

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### **Group Companies (Subsidiaries, Joint Ventures and Associates) (continued)**

#### **Notes:**

- \*<sup>1</sup> BPRL Ventures B.V. holds stake in IBV (Brasil) Petroleo Ltda. During the year, stake in IBV (Brasil) Petroleo Ltda. has increased from 60,88% to 61,36% . Considering the provisions of Brazilian Civil Code and Articles of Association, BPRL Ventures B.V. has joint control with the JV partner over IBV and hence it has been accounted for as Joint Venture.
- \*<sup>2</sup> BPRL Ventures Mozambique B.V. holds 10% Participating Interest (PI) in Offshore Area-1, Rovuma Basin, Mozambique.
- \*<sup>3</sup> BPRL Ventures Indonesia B.V. has a Participating Interest (PI) of 12,5% in Nunukan PSC, Indonesia. Pursuant to the cash call payment default of Videocon Indonesia Nunukan Inc. (VINI), the Operator, in accordance to the Joint Operating Agreement has submitted the documents for assignment of 23,0% PI from VINI to the other partners in the block for regulatory approval.
- \*<sup>4</sup> BPRL International Ventures B.V. holds 30% equity in Falcon Oil & Gas B.V., a joint venture company of IndOil Global B.V., ONGC Nile Ganga B.V. and BPRL International Ventures B.V.
- \*<sup>5</sup> Moz LNG1 Holding Company Ltd. is the sole shareholder of Mozambique LNG1 Pte. Ltd., Moz LNG1 Financing Company Ltd. and Mozambique LNG 1 Co. Financing, LDA.

#### **Consolidation**

The consolidated financial statements comprises the financial information of the Company, BPRL Ventures B.V., BPRL Ventures Mozambique B.V., BPRL Ventures Indonesia B.V. and BPRL International Ventures B.V.

#### **Reporting currency**

The policy of the Company is to make use of the provisions of Article 362, paragraph 7 of Title 9 of Book 2 of the Dutch Civil Code to present financial statements of the Company in a currency other than Euro. In line with the international character of the group of which the company forms a part, the financial statements of the Company are prepared and presented in US Dollar (USD) which is the presentation currency and functional currency of the Company.

#### **Book year**

In accordance with Article 19 of its Articles of Association, the financial year of the Company runs from the first day of April to the thirty first day of March of the following calender year.

## **Notes to the consolidated financial statements**

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### **Summary of principal accounting policies**

#### **Basis of preparation**

The consolidated financial statements are prepared in accordance with statutory provisions of Part 9, Book 2 of the Netherlands Civil Code. The principles of valuation are based on the historical cost convention. Assets and liabilities are valued at face value, unless otherwise indicated. Notes to the items of the balance sheet, the profit and loss account are numbered.

#### **Going Concern**

The Company has a net equity deficiency of USD 456.099.068 as per 31 March 2023. Management has assessed the liquidity situation of the Company and does not foresee any issues with meeting its current liabilities as they fall due, due to the letter of support given by the majority shareholder of the Company. Management has a reasonable expectation that the Company has adequate resources available to continue in operational existence for the foreseeable future.

#### **Use of estimates**

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements report and the reported amounts of revenues and expenses during the reporting period, including estimates in relation to impairment assessment and asset retirement obligations.

The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may ultimately differ from those estimates and assumptions used. Any such differences will affect the financial statements for future accounting periods. The estimates and underlying assumptions are reviewed on an ongoing basis.

The Company has included the received billing statements till March 2023 (except for BPRL Ventures Indonesia B.V. where billing statements are received upto February 2023 and an accrual is included for March 2023). The amount is split between profit and loss account item and tangible fixed assets as per the Company's policy in the financial statements for the period ended 31 March 2023.

## **Notes to the consolidated financial statements**

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### **Tangible fixed assets**

The Company follows the principles of the successful efforts method of accounting for its oil and natural gas exploration and production activities. Accordingly, all costs that lead to discovery, acquisition and development of specific oil and gas reserves are capitalized. When the outcome of the costs is unknown at the time they occur, they are recorded as capital work-in-progress.

All the costs that do not lead to discovery, acquisition and exploration of oil and gas reserves are charged as expenses in the year of occurrence. Once a project is sanctioned for development, the carrying value is transferred within property, plant and equipment. The capitalized exploration and development costs for proved oil and natural gas reserves (including the costs of drilling unsuccessful appraisal and development wells) are amortized on the basis of unit of production method.

### **Investments**

Non-consolidated participating interests over whose financial and operating policies the group exercises significant influence are valued using the net asset value method. The group's share in the results of the participating interests is recognized in the profit and loss account. For determining whether an impairment charge should be made in respect of an investment, reference is made to the respective note. Included in the investment valuation of the financial fixed assets are certain estimates on key accounting items, eg. tangible fixed assets, provisions, contingent liabilities.

Participations, in which the Company exercises significant influence are stated at net asset value or at cost plus the share in result.

Participations acquired are initially measured at the fair value of the identifiable assets and liabilities upon acquisition. Any subsequent valuation is based on the accounting policies that apply to these financial statements, taking into account the initial valuation. Participations with an equity deficit are carried at nil.

### **Impairment of assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flow expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the assets is written down to its recoverable amount.

Impairment losses are recognized in the profit and loss account except for assets that are previously revalued, where the revaluation was taken to equity. In this case the impairment is also recognized in equity upto the amount of any previous revaluation.

## **Notes to the consolidated financial statements**

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### **Loans**

Receivables included in financial fixed assets are valued at amortized cost, less provisions where necessary.

### **Other assets**

Fees paid on the establishment of loan facilities are recognized as transaction costs in the profit and loss account. Upfront fees, interest and SBLC commission are capitalised and subsequently the upfront fees is amortized during the term of the loan.

### **Accounts receivable**

Accounts receivable are initially recognised at fair value and subsequent at amortised cost, less provisions where applicable, except where a different basis of valuation has been indicated in the annual accounts.

### **Cash and cash equivalents**

Cash comprise of cash at bank and petty cash. Cash at bank are stated at nominal value and are at the free and unrestricted disposal of the Company.

### **Loan from banks**

Borrowings are recognized at amortized cost.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### **Accounts payable**

Accounts payable are initially recognized at fair value, less directly attributable transaction costs. After initial recognition, these liabilities are carried at amortized cost using the effective interest method.

The difference between the carrying value determined and the ultimate repayment value, together with the interest due, is determined in such a manner that the effective interest rate is taken to the profit and loss account during the term of the liabilities.

## **Notes to the consolidated financial statements**

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### **Translation of foreign currencies**

All monetary assets and liabilities denominated in foreign currencies have been translated into US Dollars at the rate of exchange ruling at the balance sheet date, where as non-monetary assets denominated in foreign currencies are translated at historical rate when transaction took place. All transactions denominated in foreign currencies made during the year under review are translated into US Dollars at rates of exchange ruling on or around the date of the transactions. Foreign exchange gains and losses arising as a result of the application of the above accounting policies are disclosed separately in the profit and loss account. The revaluation of the issued share capital is accounted for on the Currency Translation adjustment in the equity.

1 USD at balance sheet date was equal to :

EUR 0,9195 (31 March 2023), EUR 0,9008 (31 March 2022)

BRL 5,07200 (31 March 2023), BRL 4,77516 (31 March 2022)

GBP 0,8085 (31 March 2023), GBP 0,7267 (31 March 2022)

MZN 63,2043 (31 March 2023), MZN 63,3982 (31 March 2022)

### **Income and expenses**

Profits on transactions are recognized in the year they are realized; losses are recognized when foreseen. Expenses are based on the historical cost convention and attributed to the financial year which they pertain.

### **Tax on income**

Taxation is determined in accordance with Dutch guidelines and directives for corporate income taxes, which take into account tax exempted items and non-deductible amounts. Tax benefits arising from available losses are only recognized in the event that such losses can be compensated against prior year's taxable profits or, to the extent deemed realizable by the managements, against future taxable profits.

### **Fiscal unity**

The Company together with its subsidiaries BPRL Ventures B.V., BPRL Ventures Mozambique B.V., BPRL Ventures Indonesia B.V. and BPRL International Ventures B.V. forms a fiscal unity for Dutch income tax purposes.

Each Company (the Company and its subsidiaries) of the fiscal unity is jointly and severally liable for payment of the full corporate income tax liability. The Company is head of the fiscal unity. A corporate income tax charge is recognized in the individual companies and the total corporate tax liability is recognized in the annual accounts of the Company.

## **Notes to the consolidated financial statements**

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### **Financial instruments**

#### **Capital Management**

The Group's policy is to maintain a strong capital base to sustain future development of the business. The ultimate holding company (BPCL), through parent company (BPRL), has been extending financial support to the Group to meet its obligation under production sharing contracts and for other activities, as required, and is committed to provide the necessary level of financial support, to enable the operations of the Group. The Group has adequate cash and bank balances. The Group monitors its capital by a careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements including funding from the parent company in form of share capital or debt.

#### **Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

##### **Credit risk**

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and bank deposits kept with banks and receivables from joint operators. Credit risk is managed through continuously monitoring the creditworthiness of counter party. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

##### **Cash and cash equivalents**

The Group held cash and cash equivalents with banks of good credit ratings.

##### **Loans**

Loans to joint venture companies do not carry any significant credit risk.

The Group does not have financial assets that are past due but not impaired.

##### **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has access to funds from banks by way of long term borrowings and loan from holding Company. The Group also constantly monitors funding options available in the debt and capital markets with a view to maintain financial flexibility.

## Notes to the consolidated financial statements

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### Financial instruments (continued)

#### Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

#### Currency risk

Functional currency of the Group is USD. The majority of income, expenses, assets and liabilities of the Group are denominated in USD and these items have an offsetting impact in the normal course of business. Accordingly, the Group considers foreign currency risk as moderate.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in the interest rates. The Group's exposure to market risk for changes in interest rates primarily relates to borrowings from banks and borrowings from parent company.

In March 2021, the Financial Conduct Authority (FCA), UK had confirmed that all LIBOR settings will either cease to be provided by any administrator or no longer be representative:

i) immediately after 31 December 2021, in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings; and

ii) immediately after 30 June 2023, in the case of the remaining US dollar settings.

The afore-mentioned exposures shall be migrated from LIBOR to an Alternative Reference Rate in line with this announcement. The impact of such migration is not ascertainable at present.

#### Commodity Risk

The Group has exposure to market risk with respect to commodity prices primarily arising from the Group's sale of the crude oil. The prices may fluctuate significantly over short periods of time for this commodity. The prices of the Group's commodity generally fluctuate in line with global market conditions. As of 31 March 2023, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

**Notes to the consolidated financial statements**

	31 March 2023	31 March 2022
<b>1. Capital work-in-progress</b>		
<b>a) Capital work-in-progress</b>		
Balance as at the beginning of the period	1.046.981.258	931.802.186
Additions during the period	25.481.951	116.906.191
Impairment during the period	(26.119)	(1.727.120)
Balance at the end of the period	<u>1.072.437.090</u>	<u>1.046.981.258</u>
<b>b) Capitalization of borrowing cost</b>		
Balance as at the beginning of the period	235.834.598	207.091.240
Additions during the period	65.482.946	30.286.591
Impairment during the period	-	(1.543.233)
Balance at the end of the period	<u>301.317.543</u>	<u>235.834.598</u>
<b>c) Impairment of Assets under development</b>	(94.787.406)	-
<b>Total (a+b+c)</b>	<u><b>1.278.967.227</b></u>	<u><b>1.282.815.855</b></u>

**a) Capital work in progress****Mozambique**

BPRL Ventures Mozambique B.V, holds 10% Participating Interest (PI) in the Rovuma Offshore Area 1 concession in Mozambique. Total E&P Mozambique Area 1, Limitada, a wholly owned subsidiary of Total S.A., is the Operator with 26,5% PI. The other Concessionaires are Mitsui E&P Mozambique Area 1 Ltd. (20%), ENH Rovuma Área Um, S.A. (National Oil Company of Mozambique) (15%), ONGC Videsh Rovuma Limited (10%), Beas Rovuma Energy Mozambique Limited (10%), and PTTEP Mozambique Area 1 Limited (8,5%).

Pursuant to the Joint Operating Agreement (JOA) entered into amongst Area 1 Concessionaires, each of the Concessionaires is required to pay their committed share of expenditure incurred by the Operator. The amount of expenditure depends on the level of activities being carried out.

As per the obligations contained in Exploration & Production Concession Contract (EPCC) entered into with Mozambique Government, the Concessionaires are required to Carry ENH's share of all costs in proportion to their respective PI up to and including the date upon which the first development plan has become effective. Accordingly, Company has borne its proportionate share of ENH's costs (ENH Carry) of 11,765% till 18 June 2019, the effective date of the 2-Train Golfinho-Atum development plan when Final Investment Decision (FID) was taken by the Concessionaires to develop the 2-Train project.

In addition to the ENH Carry as mentioned above, all the Area 1 Concessionaires including ENH have entered into ENH Funding Agreement pursuant to which Concessionaires (excluding ENH) have agreed to fund the ENH's share of development costs in respect of the 2-Train Golfinho-Atum project with effect from FID in proportion to their respective PI. Accordingly, Company has borne its proportionate share of ENH's development costs (ENH Additional Funding) of 11,765% w.e.f. 19 June 2019.

## Notes to the consolidated financial statements

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### (a). Capital work-in-progress (continued...)

As mentioned on the previous page, Area 1 Concessionaires have announced FID on 18 June 2019 for the development of the initial LNG project consisting of two onshore liquefaction trains with total name plate capacity of approx 12,88 MMTA (2 x ~6,44 MMTA) in the Afungi peninsula, Cabo Delgado province, northern Mozambique, utilizing the gas from the offshore Golfinho-Atum field under the Area 1 concession. With the announcement of the FID, the development and production period of 30 years have commenced.

BPRL Ventures Mozambique B.V, along with other Concessionaires, have finalized senior debt financing of USD 14,9 billion for the two train LNG project on 15 July 2020 for which Final Investment Decision (FID) was announced in June 2019. The Project has satisfied all the conditions precedent for the first debt drawdown of the project financing, which was finalized by the Project in July 2020. The senior debt financing of USD 14,9 Billion comprises of Export Credit Agencies (the “ECA”) Direct Loans, ECA Covered Facilities, Commercial Bank Facilities and a Loan Facility with the African Development Bank.

Considering the evolution of the security situation in the north of the Cabo Delgado province in Mozambique, the Operator (i.e. Total E & P Mozambique Area 1 Limitada) has declared Force Majeure on 22 April 2021. Currently, the Project remains in preservation mode with no Project personnel on site until such time the Government of Mozambique has restored and maintained in a sustainable and verifiable manner the peace, security and stability in the Cabo Delgado Province.

There are certain incremental cost related to the suspension and force Majeure, which are abnormal costs and not an integral part of bringing the asset into the working condition as intended by the management. Accordingly, these costs amounting to USD 23,66 Mn incurred during the Force Majeure period April 2022 to March 2023 have been expensed off.

### Indonesia

BPRL Ventures Indonesia B.V. farmed in to the Nunukan Block Production Sharing Contract (PSC) in September 2009 and currently has a PI of 12,5%, through its step-down subsidiary BPRL Ventures Indonesia BV, in the block. PT Pertamina Hulu Energi, a wholly owned subsidiary of Pertamina, the National Oil Company of Indonesia, has 64,5 % PI in the consortium and is the Operator for the block. Videocon Indonesia with a PI of 23,0 % is the other consortium partner of the block. Pursuant to the cash call payment default of Videocon Indonesia Nunukan Inc. (VINI), the Operator, in accordance to the Joint Operating Agreement has submitted the documents for assignment of 23,0% PI from VINI to the other partners in the block for regulatory approval.

Based on the current outlook of Nunukan PSC and considering its associated risks of reservoir extent, hydrocarbon entrapment, well flow potential and challenges for early monetization, the PSC has marginal prospectivity from subsurface point of view. Accordingly an impairment provision has been created for the total operations in Indonesia.

A provision for estimated abandonment cost is made at current prices considering the obligations under the Production Sharing Contract and Joint Operating Agreement for USD 1.994.296 which has been capitalized and provided for during the FY 2021-2022.

### b). Capitalization of borrowing cost

The interest cost on bank loans by the company to facilitate the project purposes for Mozambique is capitalized.

Due to the marginal prospectivity, interest cost for Indonesia are no longer capitalized as from the year under review.

## Notes to the consolidated financial statements

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### c) Impairment Assets under development

The Group has considered the general business conditions and other relevant factors on estimate of future crude oil prices, production and expenditure estimates based on internal and external information / indicators. Based on the assessment, the Company has carried out impairment testing as at 31st March, 2023 in respect of its Cash Generating Units (CGUs) and has recorded an impairment to the extent the carrying amount exceeds the value in use.

The Cash Generating Unit comprises of various assets in relation to the investment in Offshore Area 1, Rovuma Basin, Mozambique.

For Oil and Gas assets, the expected future cash flows are estimated using Operator's / internal estimate of production, expenditure, reserves volumes and long term crude oil & natural gas prices. The cash flows have been projected for the production period as defined in the Exploration and Production Concession Contract for the asset.

The present value of cash flows for assets held directly for which impairment provision has been recognised during the year are determined by applying pre-tax-discount rate of ~13,4% p.a.

An amount of USD 94,79 Million has been recognised in the statement of profit and loss for FY 2022-23 under the head 'Exceptional Items' for FY 2022-23 (Previous year: Nil) towards impairment of Offshore Area 1, Rovuma Basin, Mozambique project. Considering the evolution of the security situation in the north of the Cabo Delgado province in Mozambique, the Operator has declared Force Majeure on 26 April 2021. The Value-in-use for the said asset has reduced due to increase in overall project costs and delay in first gas production, based on latest estimates available from the operator.

**Notes to the consolidated financial statements**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>USD</b>	<b>USD</b>
<b>2. Investments</b>		
<b>a.) Investments in IBV Brasil Petroleo Ltda</b>		
<b>% Holding</b>	61,36%	60,88%
Book value as at 1 April	14.273.250	-
Additions during the period	53.630.020	21.449.273
Exchange variation	(26.965.829)	34.481.011
Result for the period *	(3.891.574)	(41.657.034)
Net asset value as at 31 March	<u>37.045.867</u>	<u>14.273.250</u>

\* The financial year of IBV Brasil Petroleo Ltda runs from 1 January to 31 December. Financial statements of IBV Brasil Petroleo Ltda for the period ended 31 December 2022 have been used to compute Company's share of result. Adjustments have been made for the effects of any significant transactions or other events that occurred between 1 January 2023 to 31 March 2023.

As at 31 March 2023, the Company holds 2.756.052.570 shares of BRL 1 out of 4.491.891.136 issued shares of IBV Brasil Petroleo Ltda (31 March 2022: 2.700.837.508 shares out of 4.436.676.074 shares of BRL 1 each). The Company has paid up 2.756.052.570 of the issued shares. During FY 2021-22, Quotaholders resolution for Capital Reduction of IBV has been approved and the amendment to Articles of Association has been approved by JUCERJA on 20 December 2021 reflecting the capital reduction, effective 19.10.2021. Consequently, BPRL Ventures BV's paid up and subscribed equity in IBV has become 60.88%. On 27 December, 2022, there was a further increase in capital of IBV and consequently shares were issued to BPRL Ventures BV, which resulted in increase in paid up and subscribed equity in IBV to 61.36%. Considering the provisions of Brazilian Civil Code and Articles of Association, BPRL Ventures BV has joint control with the JV partner over IBV, and hence it has been accounted for as Joint Venture as on 31 March 2023.

IBV Brazil had Participating Interests (PI) in 10 blocks across four concessions i.e., Sergipe Alagoas Basin (BM-SEAL-11), Campos Basin (BM-C-30), Espirito Santos Basin (BM-ES-24), and Potiguar Basin (BM-POT-16). Subsequent to various exploration and appraisal activities, five blocks have been fully relinquished. IBV Brazil has also issued withdrawal notice for 2 blocks in BM-POT-16 Concession. Once these withdrawals happen, the participating interest of IBV Brazil would consist of three deep water blocks spread across two concessions i.e. BM-SEAL-11 and BM-C-30.

**BM-SEAL-11 Concession**

Petrobras is the Operator with 60% PI and IBV holds the remaining 40% PI in BM-SEAL-11 concession which currently consists of 2 (two) blocks. The Operator, on behalf of the consortium, has submitted the Declaration of Commerciality for Barra & Farfan Appraisal Plans on 30th December 2021 to the Brazilian regulator (ANP) and the Field Development Plan (FDP) has been submitted in November 2022.

**BMC 30**

IBV has 35,714 % PI in the BM-C-30 Concession. PetroRio Jaugar Limitada became the Operator with 64,286% PI after acquiring stakes from BP (erstwhile Operator with 35,714 % PI) and the other partner TOTAL (28,572% PI). PetroRio Jaugar Limitada, the Operator of BM-C-30 Concession, issued purported Exclusive Operations notice to IBV on 21 October 2021 in relation to its proposal for the development of the Wahoo Project as a commercial discovery and the resulting purported declaration of commerciality. Following this notice, IBV has initiated proceedings for interim relief in the courts of Brazil and an Arbitration procedure against the Operator at International Chamber of Commerce, London, which is currently pending.

**Notes to the consolidated financial statements**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>USD</b>	<b>USD</b>
<b>b.) Investments in Moz LNG1 Holding Company Ltd.</b>		
<b>% Holding</b>	<b>10%</b>	<b>10%</b>
Book value as at 1 April	22.284.885	411.765
Additions for earlier periods	-	19.400.580
Additions during the period	11.945.301	2.472.540
Result for the period	(2.693.888)	-
Balance 31 March	<u>31.536.298</u>	<u>22.284.885</u>

Upto FY 2021-22, the investment was recorded at cost. In the FY 2022-23, the company re-assessed its influence over the investment and determined that it had significant influence over Moz LNG1 Holding Company Ltd since inception of the original investment due to the board representation. As a result, the value of investment has been adjusted to be recorded at cost plus the historical share in results. Also, the cumulative results upto FY 2021-22 are immaterial to the Previous Year financial statements, hence, the share in the results of previous years are accumulated and recognized in FY 2022-23.

**c.) Investments in Falcon Oil & Gas BV**

<b>% Holding</b>	<b>30%</b>	<b>30%</b>
Book value as at 1 April	203.463.966	202.306.817
Dividend received	(26.280.000)	(14.850.000)
Correction previous year	-	(8.343)
Result for the period	<u>22.171.611</u>	<u>16.015.492</u>
Net asset value as at 31 March	<u>199.355.577</u>	<u>203.463.966</u>

BPRL International Ventures B.V. has a 30% stake in Falcon Oil & Gas BV (FOGBV) which acquired a 10% participation interest in Lower Zakum area Concession of ADNOC Offshore, Abu Dhabi in 2018. Lower Zakum is a super-giant field, discovered in 1963 and went on production in 1967. Oil is found in six zones of the Lower Cretaceous Thamama Carbonates (I-VI). Lower Zakum produces from IV-VI zones of Thamama. The Offshore Oil Field is about 84 km north-west of Abu Dhabi. The project has a term of 40 years with an effective date of 9 March 2018. Other partners in the concession agreement are Abu Dhabi National Oil Company (ADNOC) with 60%, JODCO Lower Zakum Limited (JODCO) with 10%, China National Petroleum Corporation (CNPC) with 10%, Total with 5% and ENI with 5%.

<b>Total investments (a+b+c)</b>	<u><b>267.937.742</b></u>	<u><b>240.022.101</b></u>
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**Notes to the consolidated financial statements**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>USD</b>	<b>USD</b>
<b>3. Loans</b>		
<b>a.) Loan to IBV Brasil Petroleo Ltda</b>		
Balance as at 1 April	274.857.955	256.239.024
Additions during the period	-	-
Reversal / provision due to negative equity IBV	-	18.618.931
Balance as at 31 March	<u>274.857.955</u>	<u>274.857.955</u>
The Company agreed to provide the loan facility to IBV (Brasil) Petroleo Private Ltda - USD 150.000.000, USD 25.000.000, USD 27.750.000, USD 147.250.000, USD 150.000.000 and USD 200.000.000 as per various facility agreements.		
As on 31 March 2023, the total loan outstanding is USD 274,86 Million. As per the facility agreements, the loans are subject to an interest rate of 6m LIBOR plus 400 bps (USD 187,5 Million) and 6 months LIBOR plus 100 bps (USD 87,36 Million). The borrower has made a profit of USD 31.688.292 (61,36% share of the Company is USD 19.443.936) for the period 1 January - 31 December 2022. Since the accumulated results are still negative, no interest income has been recognized.		
<b>b.) Loan and interest to Empresa Nacional de Hidrocarbonetos, E.P. (ENH)</b>		
<u>Principal amount</u>		
Balance as at 1 April	111.704.000	67.047.857
Additions during the period	13.489.891	44.656.143
Repayments during the period	-	-
Balance as at 31 March	<u>125.193.891</u>	<u>111.704.000</u>
<u>Interest amount</u>		
Balance as at 1 April	13.301.721	4.609.110
Additions during the period	11.483.841	8.692.611
Repayments during the period	-	-
Balance as at 31 March	<u>24.785.562</u>	<u>13.301.721</u>
Total principal and interest	<u>149.979.453</u>	<u>125.005.721</u>
<b>Total loans (a+b)</b>	<b><u>424.837.408</u></b>	<b><u>399.863.676</u></b>

All the Area 1 Concessionaires including ENH have entered into ENH Funding Agreement pursuant to which Concessionaires (excluding ENH) have agreed to fund the ENH's share of development costs in respect of the 2-Train Golfinho-Atum project with effect from FID, in proportion to their respective PI.

ENH funding amounts are subject to payment of interest in USD, compounded annually, at a rate of 9% p.a. from the date the applicable costs are paid under the Joint Operating Agreement until 1 year following the Completion date. From and including the day after 1 year from completion date, ENH funding amounts shall be subject to payment of interest in USD, compounded annually, at a rate of 13% p.a. until repaid in full by ENH.

The repayment for the ENH funding will start once full repayment of EPC carry, including interest, is made. Post which ENH funding amounts, including interest, shall be repaid from 80% of ENH Revenue.

**Notes to the consolidated financial statements**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>USD</b>	<b>USD</b>
<b>4. Other assets</b>		
Borrowing Cost - Upfront fees	15.502.683	18.825.129
Additions during the period	9.024.426	4.859.475
Less - Amortized during the period	(8.105.895)	(8.181.921)
	<u>16.421.214</u>	<u>15.502.683</u>
<b>5. Advances towards investments</b>		
<b>a) Advances towards investments in Mozambique MOF Company S.A.</b>	<u>13.925.720</u>	<u>13.056.991</u>
Contributions made by BPRL Ventures Mozambique B.V. for shares to be issued in Mozambique MOF Company S.A. The total investments of USD 13.925.720 as on 31 March 2023 is in the nature of Advance towards Investments against which shares shall be issued in future.		
<b>b) Advances towards investments in Mozambique LNG Marine Terminal Company S.A.</b>	<u>22.103.730</u>	<u>20.592.944</u>
Contributions made by BPRL Ventures Mozambique B.V. for shares to be issued in Mozambique LNG Marine Terminal Company S.A. The total investments of USD 22.103.730 as on 31 March 2023 is in the nature of Advance towards Investments against which shares shall be issued in future.		
<b>Total (a + b)</b>	<u><b>36.029.450</b></u>	<u><b>33.649.935</b></u>
<b>6. Long term receivables</b>		
<b>Receivable on Partners</b>		
Receivable	15.387.402	10.536.702
Less - provision	(15.387.402)	(10.536.702)
	<u>-</u>	<u>-</u>

**Notes to the consolidated financial statements**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>USD</b>	<b>USD</b>
<b>CURRENT ASSETS</b>		
<b>7. Advances</b>		
Advances paid to PT Pertamina Hulu Energi Nunukan	<u>3.402.951</u>	<u>3.510.147</u>
<b>8. Other current assets</b>		
<b>a) Accounts receivable</b>		
Total E&P Mozambique Area 1, Lda.	<u>12.493.201</u>	<u>4.426.603</u>
The receivable from Total E&P Mozambique Area 1, Lda. is the difference between the cash call requests received/paid and the actual expenses based on the billing statements.		
<b>b) Prepaid expenses</b>		
Prepaid expense	<u>134.792</u>	<u>78.749</u>
<b>c) Deposit</b>		
Security Deposit	<u>2.500</u>	<u>5.800</u>
<b>d) Other receivable</b>		
Amounts to be invoiced	-	29.005
Cash in transit	-	15.000.000
Interest receivable from Bank	<u>458</u>	<u>218</u>
	<u>458</u>	<u>15.029.223</u>
<b>Total (a+b+c+d)</b>	<u><b>12.630.951</b></u>	<u><b>19.540.375</b></u>
<b>9. Cash and cash equivalents</b>		
Cash at bank	10.075.514	2.157.848
Petty cash	<u>635</u>	<u>757</u>
	<u>10.076.149</u>	<u>2.158.605</u>

The cash at bank consist of current account bank accounts and are at the free and unrestricted disposal of the Company.

**Notes to the consolidated financial statements****10. Equity**

	<b>Issued and paid-up capital</b>	<b>Issued and paid-up capital</b>	<b>Translation reserve</b>	<b>Accumulated results</b>	<b>Total</b>
	<b>EUR</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Balance as at 1 April 2022	661.086.558	737.792.432	126.571.752	(1.151.760.142)	(287.395.958)
Contribution during the year	-	-			-
Currency translation	-	(18.860.793)	(6.770.435)	2.706.092	(22.925.137)
Result for the year	-	-	-	(145.777.974)	(145.777.974)
Balance as at 31 March 2023	661.086.558	718.931.639	119.801.317	(1.294.832.024)	(456.099.069)

	<b>Issued and paid-up capital</b>	<b>Issued and paid-up capital</b>	<b>Translation reserve</b>	<b>Accumulated results</b>	<b>Total</b>
	<b>EUR</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Balance as at 1 April 2021	553.123.675	648.537.513	53.345.662	(1.069.179.795)	(367.296.620)
Contribution during the year	107.962.883	128.000.000	-	-	128.000.000
Currency translation	-	(38.745.081)	73.226.090	-	34.481.009
Result for the year	-	-	-	(82.580.347)	(82.580.347)
Balance as at 31 March 2022	661.086.558	737.792.432	126.571.752	(1.151.760.142)	(287.395.958)

The issued share capital as at 31 March 2023 consists of 661.086.558 shares of EUR 1 nominal value each, all of which are fully paid (31 March 2022: 661.086.558 shares).

In accordance with Article 373, paragraph 5 of Book 2 of the Dutch Civil Code the paid and called capital is transferred into USD at the rate of exchange ruling at the balance sheet date (USD 1 = EUR 0,9195 on 31 March 2023 and USD 1 = EUR 0,9008 on 31 March 2022).

Unrealized foreign exchange gains and losses arising from the translation into USD of the company's Euro paid-up capital are maintained in Translation reserve which is a legal reserve.

**Notes to the consolidated financial statements**

	31 March 2023	31 March 2022
	USD	USD

**11. Provisions**

Abandonment provision	2.590.000	2.590.000
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This provision is made for the Nunukan Block and is made at current prices considering the obligations under the Production Sharing Contract and Joint Operating Agreement.

**12. Loan from banks**

Loans from Consortium of Banks	2.405.000.000	2.250.000.000
Loans repayable within one year	(325.000.000)	(800.000.000)
Loan from Consortium of Banks (Long term)	2.080.000.000	1.450.000.000

During the period 1 April 2022 - 31 March 2023, the company has drawn a total amount of USD 955.000.000 from various banks in order to repay various loans that were due during the period and to provide equity/loans to its subsidiaries to meet their capital expenditure requirements, debt servicing and working capital.

Facility Date	Term	Original Lender	Loan Amount	Draw down	Repayment date	Interest rate
21 August 2018	5 years	DBS	USD 125,000,000	USD 125.000.000	August 2023 *	LIBOR + Margin
21 August 2018	7 years	DBS	USD 100,000,000	USD 100.000.000	August 2025	LIBOR + Margin
12 September 2018	5 years	Canara & HSBC	USD 100,000,000	USD 100.000.000	September 2023 *	LIBOR + Margin
16 May 2019	5 years	DBS	USD 175,000,000	USD 175.000.000	August 2024	LIBOR + Margin
26 November 2019	5 years	SBI	USD 500,000,000	USD 500.000.000	December 2024	LIBOR + Margin
7 January 2021	5 years	Canara	USD 100,000,000	USD 100.000.000	March 2024 *	LIBOR + Margin
15 April 2021	3,5 years	DBS	USD 75.000.000	USD 75.000.000	November 2024	LIBOR + Margin
20 July 2021	3 years	Canara	USD 150.000.000	USD 150.000.000	August 2024	LIBOR + Margin
8 December 2021	5 years	Bank of Baroda **	USD 125.000.000	USD 125.000.000	December 2026	LIBOR + Margin
6 June 2022	5 years	Bank of Baroda **	USD 650.000.000	USD 625.000.000	December 2026	SOFR + Margin
23 February 2023	3 years	Bank of India **	USD 200.000.000	USD 185.000.000	March 2026	SOFR + Margin
2 March 2023	3 years	First Abu Dhabi **	USD 100.000.000	USD 95.000.000	March 2026	SOFR + Margin
9 March 2023	3 years	DBS **	USD 100.000.000	USD 50.000.000	March 2026	SOFR + Margin
				USD 2.405.000.000		

The loans are subjected to financial covenants based on certain financial performance indicators of the ultimate parent Company Bharat Petroleum Corporation Limited. There have been no breaches of the financial covenants in the current period.

\* These loans are repayable within one year and transferred to the short term liabilities (note 14b).

\*\* Backed by a parent company guarantee from Bharat Petroleum Corporation Ltd.

**13. Loan from shareholder**

Balance as at 1 April 2022	25.000.000	-
Additions	58.500.000	25.000.000
Repayments	-	-
Balance as at 31 March 2023	83.500.000	25.000.000

On 20 October 2021 the Company entered into a loan agreement with Bharat Petroresources Limited for a total amount of USD 200.000.000 repayable within 5 years. Interest is calculated based on LIBOR+Margin.

**Notes to the consolidated financial statements**

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>USD</b>	<b>USD</b>
<b>14. Accounts Payable</b>		
a) Consortium of Banks		
Interest payable	12.984.757	5.169.831
Short term loans *	325.000.000	800.000.000
	<u>337.984.757</u>	<u>805.169.831</u>
* Loans from Consortium of Banks (note 12) that are repayable within one year. The Company shall raise funding for repayment of these loans from its shareholder or from banks.		
b) Trade and other payables		
Interest shareholder	1.724.850	231.295
Audit Fees	133.100	270.079
Tax Return Filing Charges	15.000	20.000
Taxes - VAT	12.014	95.724
Other payables	442.439	1.082.407
	<u>2.327.403</u>	<u>1.699.505</u>
<b>Total (a+b)</b>	<b><u>340.312.160</u></b>	<b><u>806.869.336</u></b>

**Notes to the consolidated financial statements**

	<b>1 April 2022 to 31 March 2023</b>	<b>1 April 2021 to 31 March 2022</b>
	<b>USD</b>	<b>USD</b>
<b>15. General and Administration expenses</b>	<b>(997.471)</b>	<b>(5.082.925)</b>
These are general and administrative expenses mainly incurred in relation to Mozambique project.		
<b>16. Loan related expenses</b>		
Interest on loan	(100.104.174)	(41.161.031)
Interest on shareholder's loan	(2.251.380)	(231.295)
Amortization upfront expenses	(8.105.895)	(8.181.921)
Other Loan related expenses	(3.588.839)	(966.258)
	<b>(114.050.288)</b>	<b>(50.540.505)</b>
<b>17. Provisions</b>		
Provision on receivables	<b>(4.850.700)</b>	<b>(10.536.702)</b>
<b>18. Loan related income</b>		
Interest receivable on ENH loan	11.483.841	8.692.611
Interest receivable from Videocon Energy Brazil Limited	4.790.572	2.271.537
	<b>16.274.413</b>	<b>10.964.148</b>
<b>19. Tax on income</b>		
Dutch corporate income tax charge for the period	<b>-</b>	<b>-</b>

**20. Contingent assets and liabilities**

Mozambique LNG1 Company Pte. Ltd. (which is a subsidiary of Moz LNG1 Holding Company Ltd.) is engaged in activities related to facilitating the sale of liquefied natural gas (LNG) of Area 1 Project, Mozambique by negotiating long term, spot and short term LNG sales contracts. The concessionaires of Area 1 Project, Mozambique including BPRL Ventures Mozambique B.V. have issued performance guarantees in favour of buyers of LNG towards performance of obligations of Mozambique LNG1 Company Pte. Ltd. under the LNG SPA's entered by it. The company's share of outflow that may arise under these performance guarantees is limited to USD 120 Mn in one case, while in others it is not quantifiable.

BPRL Ventures Mozambique BV, as the Concessionaire, has provided Guarantee to the lenders for an amount equal to its share of the Senior Debt Secured Obligations in respect of Mozambique Project Finance.

## Notes to the consolidated financial statements

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### 21. Subsequent events

There have been no events since the balance sheet date that need to be included which have a material effect on financial situation of the Company as at that date.

### 22. Employees

The average number of employees of the Company during the period were nil (previous period: nil).

### 23. Directors

The Company had six directors during the period (Previous Year: Six) under review, who received no remuneration (Previous Year: Nil). On 10 April 2023 Mr. T. James resigned as director of the Company. On 1 June 2023, Mr R. Chari was appointed as director.

The Company does not have a Board of supervisory directors.

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**Athos Business Services (Netherlands) B.V.**

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**A.P. Shah**

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**F.A. Didwania-van Gelderen**

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**U.S.N. Bhat**

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**M.S. Hagen**

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**R. Chari**

Date : 14 July 2023

Place : Schiphol

## **Other information**

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### **Statutory provision on appropriation of result**

According to Article 21 of the Articles of Association of the Company the result of the Company is at the disposal of the general meeting of shareholders.

### **Auditor report**

Auditor's report is set out in the following page.

### **Branch Office**

#### Trade name

#### Location

BPRL Ventures Mozambique B.V., Amsterdam, Branch Office Maputo

Mozambique