

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

IOC Sweden AB

Annual report

For

IOC Sweden AB

556801-3626

Financial year

2017 04 01 – 2018 03 31

The Board of Directors of IOC Sweden AB hereby submits the annual report for the financial year 2017-04-01 – 2018-03-31, the Company's Eighth financial year.

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Directors' report

Activities

IOC Sweden AB was incorporated February 26, 2010.

The principal activities of the Company are to conduct owning of shares in other companies, perform administrative tasks and associate activities.

The Company is a wholly-owned subsidiary to Indian Oil Corporation Limited, India.

The Company holds 50% of all shares in Indoil Netherlands B.V. with registered address in Amsterdam. Indoil Netherlands is run as joint operation in partnership with Oil India Sweden AB. Indoil Netherlands B.V. holds 7% of the shares in Petrocarabobo S.A., Venezuela and 24,2% of the shares in Carabobo Ingenieria y Contruccion S.A., Venezuela.

Both the last-mentioned companies are active in Project Carabobo, developing oil reserves in Venezuela.

The Company also holds 100% of the shares in IOC Cyprus Ltd with registered address in Nicosia, Cyprus.

Events of importance during the financial year

The Company has during the financial year made investments in Indoil Netherlands B.V. to an amount of 55K EUR. Amounts have been used for covering current expenses.

The activity of the group is fully financed by capital injections from the parent company Indian Oil Corporation Limited. During the year company received contributions in amount of 125KEUR, which has been presented as shareholders' contributions.

Multi-year overview (for the group)

Amount in K euro	2017 04 01	2016 04 01	2015 04 01	2014 04 01	2013 04 01
	2018 03 31	2017 03 31	2016 03 31	2015 03 31	2014 03 31
Net turnover	169	361	336	2 242	-
Result after fin. items	-104	-80	-88	-78	-88
Total assets	48 024	55 104	51 629	55 055	37 582
Equity/assets ratio (%)	97,5%	97,9%	98,5%	96,0%	99,9%

Proposed allocation of result

Parent company

Amount in Euro

It is proposed by the board of directors that the company's non-restricted equity will be allocated as follows:

Losses carried forward	-433 485
Net profit for the year	<u>-26 482</u>
	-459 967
Proposed allocation of disposable result	
Losses carried forward	<u>-459 967</u>
Total	-459 967

Consolidated statement of comprehensive income

<i>Amount in Euro</i>	<i>Note</i>	<i>2017 04 01 2018 03 31</i>	<i>2016 04 01 2017 03 31</i>
Secondment income	14	168 693	361 238
Total operating income		168 693	361 238
<i>Operating expenses</i>			
Other external expenses	3,4,14	-250 329	-447 546
Personnel expenses	6	-	-
Operating profit/loss		-81 636	-86 308
<i>Financial items</i>			
Financial income		0	6 924
Financial expenses	7	-22 167	-405
Net financial items		-22 167	6 519
Net profit/loss for the year		-103 803	-79 789
Earnings per share (Euro)		-0,02	-0,02
Other comprehensive income/expenses			
Translation differences on foreign operations for the year	16	-7 101 219	3 062 658
Total comprehensive income/expenses		-7 101 219	3 062 658
Total comprehensive profit/loss for the year		-7 205 022	2 982 869

Consolidated statement of financial position

<i>Amount in Euro</i>	<i>Note</i>	<i>2018 03 31</i>	<i>2017 03 31</i>
ASSETS			
Fixed assets			
Financial fixed assets			
Other securities held as fixed assets	8	46 805 126	53 930 500
Total fixed assets		46 805 126	53 930 500
Current assets			
Receivables from group companies	14	1 153 210	1 144 021
Other receivables		0	0
Prepaid expenses and accrued income	11	12 934	3 622
Cash and cash equivalents		52 518	26 243
Total current assets		1 218 662	1 173 886
TOTAL ASSETS		48 023 788	55 104 386

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Consolidated statement of financial position

<i>Amount in Euro</i>	<i>Note</i>	<i>2018 03 31</i>	<i>2017 03 31</i>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	47 071 151	47 071 151
Issued share capital under registration		-	-
Shareholders' contributions		205 000	80 000
Translation difference		495 608	7 596 827
Unrestricted reserves		-822 434	-742 645
Net/profit for the year		-103 803	-79 789
Total equity		46 845 522	53 925 544
Current liabilities			
Accounts payable		759 733	697 886
Other current liabilities		0	0
Liabilities to group companies	14	390 675	449 610
Accrued expenses and prepaid income	13	27 858	31 346
		1 178 266	1 178 842
TOTAL EQUITY AND LIABILITIES		48 023 788	55 104 386

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Consolidated statement of changes in equity

	Share capital	Issued Share capital under registration	Shareholders contribution	Translation difference	Retained earnings and profit for the year	Total equity
Opening balance 2016-04-01	46 193 377	877 774	-	4 534 169	-742 645	50 862 675
New share issue registered	877 774	-877 774	-	-	-	-
Shareholder's contributions	-	-	80 000	-	-	80 000
New share issue	-	-	-	-	-	-
Total comprehensive profit for the year	-	-	-	3 062 658	-79 789	2 982 869
Closing balance 2017-03-31	47 071 151	-	80 000	7 596 827	-822 434	53 925 544

Opening balance 2017-04-01	47 071 151	-	80 000	7 596 827	-822 434	53 925 544
New share issue registered	-	-	-	-	-	-
Shareholder's contributions	-	-	125 000	-	-	125 000
New share issue	-	-	-	-	-	-
Total comprehensive profit for the year	-	-	-	-7 101 219	-103 803	-7 205 022
Closing balance 2018-03-31	47 071 151	-	205 000	495 608	-926 237	46 845 522

Consolidated cash flow statement

<i>Amount in Euro</i>	<i>2017 04 01 2018 03 31</i>	<i>2016 04 01 2017 03 31</i>
Operating activities		
Net profit/loss	-103 803	-79 789
Adjustment for items not affecting cash flow	-	-
Cash flow from operating activities before Changes in operating capital	-103 803	-79 789
<i>Cash flow from changes in operating capital</i>		
Increase(-)/Decrease(+) of operating receivables	-18 501	-376 336
Increase(+)/Decrease(-) of operating liabilities	-576	412 620
Cash flow from operating activities	-122 880	-43 505
Investment activities		
Acquisition of other securities held as fixed assets	-	-
Cash flow from investment activities	-	-
Financing activities		
New share issue	-	-
Share premium reserve	125 000	80 000
Cash flow from financing activities	125 000	80 000
Cash flow for the year	2 120	36 495
Cash and cash equivalents at the beginning of the year	26 243	39 109
Translation differences on foreign operations for the year	24155	-49 361
Cash and cash equivalents at the end of the year	52 518	26 243

Parent company's income statement

<i>Amounts in Euro</i>	<i>Note</i>	<i>2017 04 01 2018 03 31</i>	<i>2016 04 01 2017 03 31</i>
Net sales		-	-
Total operating income		-	-
<i>Operating expenses</i>			
Other external expenses	3,4	-25 628	-23 786
Personnel expenses	5	-	-
Operating profit/loss		-25628	-23 786
<i>Financial items</i>			
Profit/loss from participation in joint operation		-	-
Interest income and similar items		-	1 338
Interest expenses and similar items	7	-854	-
Net financial items		-854	1 338
Net profit/loss for the year		-26 482	-22 448

Parent company's balance sheet

<i>Amounts in Euro</i>	<i>Note</i>	<i>2018 03 31</i>	<i>2017 03 31</i>
ASSETS			
Fixed assets			
Financial fixed assets			
Participation in subsidiaries	9	1 000	1 000
Participation in joint operation	10	46 606 709	46 606 709
Total financial fixed assets		<u>46 607 709</u>	<u>46 607 709</u>
Total fixed assets		46 607 709	46 607 709
Current assets			
Receivables from related parties	14	181 581	98 882
Cash and cash equivalents		38 278	23 792
Total current assets		<u>219 859</u>	<u>122 674</u>
TOTAL ASSETS		46 827 568	46 730 383

Parent company's balance sheet

<i>Amounts in Euro</i>	<i>Note</i>	<i>2018 03 31</i>	<i>2017 03 31</i>
EQUITY AND LIABILITIES			
Equity	12		
<i>Restricted equity</i>			
Share capital		47 071 151	47 071 151
Issued share capital under registration		-	-
Shareholders' contributions		205 000	80 000
<i>Non-restricted equity</i>			
Profit/loss carried forward		-433 496	-411 048
Translation difference		12	10
Net/profit for the year		-26 482	-22 448
Total equity		46 816 185	46 717 665
Current liabilities			
Accounts payable		-	2 331
Accrued expenses and prepaid income	13	11 383	10 387
		11 383	12 718
TOTAL EQUITY AND LIABILITIES		46 827 568	46 730 383

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Parent company's changes in equity

	Share capital	Issued Share capital under registration	Shareholders contribution	Translation difference	Retained earnings and profit for the year	Total equity
Opening balance 2016-04-01	46 193 377	877 774	-	-	-411 048	46 660 103
New share issue registered	877 774	-877 774	-	-	-	-
Shareholder's contributions	-	-	80 000	-	-	80 000
New share issue	-	-	-	-	-	-
New profit for the year	-	-	-	10	-22 448	-22 438
Closing balance 2017-03-31	47 071 151	-	80 000	10	-433 496	46 717 665
Opening balance 2017-04-01	47 071 151	-	80 000	10	-433 496	46 717 665
New share issue registered	-	-	-	-	-	-
Shareholder's contributions	-	-	125 000	-	-	125 000
New share issue	-	-	-	-	-	-
New profit for the year	-	-	-	2	-26 482	-26 480
Closing balance 2018-03-31	47 071 151	-	205 000	12	-459 978	46 816 185

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Parent company's cash flow statement

<i>Amounts in Euro</i>	<i>2017 04 01 2018 03 31</i>	<i>2016 04 01 2017 03 31</i>
Operating activities		
Operating profit/loss	-26 482	-22 448
Adjustment for items not affecting cash flow		
- Write-down of participation in joint operation	-	-
Cash flow from operating activities before Changes in operating capital	-26 482	-22 448
<i>Cash flow from changes in operating capital</i>		
Increase (-)/Decrease (+) of operating receivables	-82 699	-58 230
Increase(+)/Decrease(-) of operating liabilities	-1 335	-1 510
Cash flow from operating activities	-110 516	-82 258
Investment activities		
Acquisition of other securities held as fixed assets	-	-
Cash flow from investment activities	-	-
Financing activities		
New share issue	-	-
Share premium reserve	125 000	80 000
Cash flow from financing activities	125 000	80 000
Cash flow for the year	14 484	-2 258
Cash and cash equivalents at the beginning of the year	23 792	26 039
Exchange differences on foreign operations for the year	2	12
Cash and cash equivalents at the end of the year	38 278	23 792

Notes and accounting principles

Amount in Euro unless other stated

Note 1 Significant accounting principle

General

IOC Sweden AB, corporate identity number 556801-3626 is a Swedish private limited company registered in Stockholm, Sweden. The Company's address is c/o TMF Sweden AB, SergelsTorg12, 13tr, SE-11157, Stockholm.

The principal activities of the company, which was incorporated on the 26th February 2010, are to conduct owning of shares in other companies, perform administrative tasks and associate activities.

The consolidated accounts for the financial year 2017-04-01 – 2018-03-31 comprise of the Parent company, the wholly-owned subsidiary IOC Cyprus Limited and the participation in Indoil Netherlands B.V., a joint operation owned and run in partnership with Oil India Sweden AB.

Summary of key accounting principles

The key accounting principles applied during the preparation of this annual report are presented below.

The accounting currency of the Parent company is Euro and the financial statements are presented in Euro.

Fixed assets and long-term liabilities essentially consist of amounts that are expected to be recovered or paid more than 12 months after the closing day. Current assets and current liabilities essentially consist solely of amounts that are expected to be recovered or paid within 12 months of the closing day.

Basis for preparing the reports

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Boards (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the Commission of the European Communities for application in the European Union. RFR 2; Supplementary accounting rules for groups, issued by the Swedish Financial Reporting Board has also been used.

The Parent company has prepared its annual report in accordance with the Swedish Financial Reporting Board's standard RFR 2.3, the same accounting standards as used for the group, apart from when it is stated "accounting standards for the Parent company". The difference between the accounting principles for the group and the parent company are due to the fact that there are restrictions regarding the use of IFRS in the parent company regulated in the Swedish Annual Accounts Act or in some cases due to tax reasons.

Valuation principles applied in the preparation of the financial statements

Assets and liabilities are reported at historical cost, with the exception of certain financial assets and liabilities, which are measured at the fair value or amortized cost.

Financial assets and liabilities measured at fair value consist of financial assets classified as financial assets measured at fair value through profit/loss for the year or financial assets held for sale.

Translation of foreign currency

Transactions and balance sheet items

Transactions in foreign currencies are translated into functional currency at the exchange rate in force on the transaction date. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate in force on the balance sheet date. Exchange rate differences arising from the conversions are recognized in profit/loss for the year. Non-monetary assets and liabilities recognized at the value are converted into the functional currency at the rate in effect at the time of the fair value assessment.

Group companies

The results and financial position of all group companies that have an operational currency other than the presentation currency, are translated into the group's presentation currency as follows:

Assets and liabilities for each of the consolidated statements of financial position are translated according to the closing day rate.

Income and expenses for each of the income statements are translated according to the average exchange rate.

All translation differences are reported in other comprehensive income.

Assessments and estimates in the financial accounts

Preparation of the financial statements in accordance with IFRS requires management to make assessments, estimations and assumptions that affect the application of the accounting principles and the figures reported for assets, liabilities, income and expenses. The actual outcome may deviate from these estimations that may cause material adjustments to the financial statements of the ensuing year are mainly the valuation of the financial fixed assets.

Consolidated financial statements

Subsidiaries

Subsidiaries are companies in which IOC Sweden AB has a controlling influence.

Controlling influence entails a direct or indirect right to determine a company's financial and operational policies.

Under normal circumstances this means that IOC Sweden AB has more than 50 percent of the voting rights.

The assessment of whether a controlling influence exists, takes into account potential voting shares that can be exercised or converted without delay.

Subsidiaries are recognized in accordance with the acquisition method.

The cost of an acquisition consists of the fair value of assets given and liabilities incurred or assumed at the date of acquisition. Transaction fees directly attributable to the acquisition are reported directly in the income statement at the rate at which they arise.

Subsidiaries' financial accounts are included in the consolidated accounts from the time of acquisition and until the Group no longer has a controlling influence.

Joint operations

For accounting purposes, joint operations whereby the parties that have joint control of the operation have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations are consolidated in the consolidated accounts in accordance with the proportional method.

The proportional method entails that the proportional part belonging to the group, of the assets for which the group has joint control and the liabilities for which the group has a joint responsibility, are included in the consolidated statement of financial position. The consolidated statement of comprehensive income includes the proportional part belonging to the group of the income and expenses of the joint operations.

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Intra-group receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-group transactions between group companies are eliminated in full when preparing the consolidated accounts.

Operating segments

The operating segments are organized in a compatible way with the internal financial reporting to the senior management. The senior management is the function who is responsible for allocation of resources and monitoring the financial outcome of the operating segments.

In this group, the board of directors in the parent company has the function as the senior management, making the strategic decisions.

Income

Income encompasses the fair value of what has been received or is expected to be received for sold goods and services in the group's operating activities. Income is reported excluding VAT, returns and discounts and after elimination of intra-group sales.

The group reports income when the amount can be measured in a reliable manner, when it is likely that future economic benefits will accrue to the company.

Other operating income

Costs arising from subordinated activities within the principal operation are presented as the other operating income.

Other operating costs

Costs arising from subordinated activities within the principal operation concerning operational receivables and operational liabilities are presented as other operational costs.

Taxes

The period's tax expense is made up of actual tax expense for the year and changes in the provision for deferred tax liabilities and changes in the presented value of the deferred tax receivables.

The actual tax liability is based on the taxable income for the year. The taxable income diverges from net profit/loss for the year as presented in the income statement, as the taxable income can contain either nontaxable income or non-tax-deductible expenses, that are not deductible in the actual financial year, or taxable or deductible in other years than the actual financial year.

The actual tax liability has been calculated using the tax rates decided upon the balance sheet date.

Deferred tax is the tax as the company expects to pay or receive based on the differences between the presented values of assets and liabilities in the balance sheet and the equivalent taxable values.

Deferred tax assets (receivables) for taxable losses carried forward will only be presented if it is likely to use them in future and only to the expected decreased future tax expenses.

Financial assets

The group classifies its financial assets according to the following categories: financial assets measured at fair value in profit/loss, loan receivables and accounts receivables. The classification is based on the reason for the purchase of the financial assets.

Financial assets recognized as assets in the consolidated statement of financial position include cash and cash equivalents, accounts receivables, financial investments and derivatives.

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Financial assets which are not derivatives are initially recognized at a cost corresponding to the assets fair value including direct expenses. Exceptions are those financial assets recognized at fair value via profits/loss, which are recognized at fair value excluding transaction expenses.

Loan receivables and accounts receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loan receivables are measured at the amortized cost, based on the effective interest calculated at the time of acquisition. Accounts receivables are recognized at the amount estimated to be paid after deduction for bad debts. Provision for bad debts is recognized in the operating expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash and instantly accessible balances at banks and equivalent institutions, as well as current investments with a term from the acquisition date of less than three months which are exposed to only a negligible risk of fluctuation.

Financial liabilities

Financial liabilities are classified as financial liabilities measured at fair value in profit/loss or as financial liabilities measured at the amortized cost.

Accounts payables are obligations to pay for goods or services purchased in the operation from suppliers. Accounts payables are classified as current liabilities when they are due for payment within one year from the balance sheet date. Otherwise they are classified as long-term liabilities.

Earnings per share

The calculation of earnings per share is based on group profit for the year attributable to the Parent company's shareholders and the weighted average number of shares outstanding during the year.

Contingent liabilities

A contingent liability is recognized when there is a possible obligation arising from past events and the existence of which is substantiated only by one or more uncertain future events, or when there is an obligation which is not recognized as a liability or provision because it is not likely that an outflow of resources will be required.

Parent company's accounting principles

The differences between the accounting principles of the Group and the Parent company are due to the restrictions in the Swedish Annual Accounts Act for the use of IFRS in the Parent company and the tax regulations that make it possible to use in other accounting principles in a legal entity than the group accounts.

Participation in joint operation

Participation in joint operation is recognized in the Parent company in accordance with the cost method. Write-down of the booked value has been made at the balance sheet date to the equity value corresponding to the part belonging to the company in the joint operation.

Participation in associated companies

Participation in associated companies is recognized in the Parent company in accordance with the cost method. The Parent company's part of Net profit and loss in the associated company is recognized in the Profit and Loss statement to a value equal to the percentage holding of the shares in the associated company and in the balance sheet as a current receivable or liability from related party.

Restricted and non-restricted equity

In the Parent company's balance sheet, the equity is divided into restricted and non-restricted equity in accordance with the Swedish Annual Accounts Act.

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Note 2 Proposed allocation of result*Parent company*

Amount in Euro

It is proposed by the board of directors that the company's non-restricted equity will be allocated as follows:

Losses carried forward	-433 485
Net profit for the year	<u>-26 482</u>
	-459 967
Proposed allocation of disposable result	
Losses carried forward	<u>-459 967</u>
Total	-459 967

Note 3 Reporting per segment

The operating segments are organized in a compatible way with the internal financial reporting to the senior management prepared by the Parent company (IOC Sweden AB) and the joint operation (Indoil Netherlands) including reports from the joint arrangement involved in Project Carabobo in Venezuela. The segment Other consist of IOC Cyprus and intra-group eliminations.

<i>2016-04-01 – 2017-03-31</i>	<i>IOC Sweden</i>	<i>Indoil Netherlands</i>	<i>Other</i>	<i>Total</i>
Secondment income	-	361 238	-	361 238
Operating profit/loss	-23 786	-48 603	-13 919	-86 307
Profit/loss before tax	-22 448	-43 783	-13 558	-79 789
Net profit for the year	-22 448	-43 783	-13 558	-79 789
Assets	46 730 384	55 080 595	-	101 810 979
Whereof intra-group assets	-46 706 592	-	-	-46 706 592
Assets excluding intra-group assets	23 792	55 080 595	-	55 104 387
Liabilities	12 717	1 162 171	58 586	1 233 474
Whereof intra-group liabilities	-	-	-54 632	-54 632
Liabilities excluding intra-group liabilities	12 717	1 162 171	3 954	1 178 842
<i>2017-04-01 – 2018-03-31</i>	<i>IOC Sweden</i>	<i>Indoil Netherlands</i>	<i>Other</i>	<i>Total</i>
Secondment income	-	168 693	-	168 693
Operating profit/loss	-25 628	-41 188	-14 820	-81 636
Profit/loss before tax	-26 482	-55 676	-21 645	-103 803
Net profit for the year	-26 482	-55 676	-21 645	-103 803
Assets	46 827 568	47 976 227	9 284	94 813 079
Whereof intra-group assets	-46 789 291	-	-	-46 789 291
Assets excluding intra-group assets	38 277	47 976 227	9 284	48 023 788
Liabilities	11 383	1 165 439	83 775	1 260 597
Whereof intra-group liabilities	-	-	-82 331	-82 331
Liabilities excluding intra-group liabilities	11 383	1 165 439	1 444	1 178 266

Note 4 Other external expenses

	<i>Group</i> 2017-04-01 2018-03-31	<i>Group</i> 2016-04-01 2017-03-31	<i>Parent company</i> 2017-04-01 2018-03-31	<i>Parent company</i> 2016-04-01 2017-03-31
Administrative expenses	55 792	65 466	18 868	12 151
Audit fees	15 656	18 019	5 527	7 908
Other expenses	178 881	364 061	1 233	3 727
	250 329	447 546	25 628	23 786

Note 5 Remuneration to auditors

	<i>Group</i> 2017-04-01 2018-03-31	<i>Group</i> 2016-04-01 2017-03-31	<i>Parent company</i> 2017-04-01 2018-03-31	<i>Parent company</i> 2016-04-01 2017-03-31
Audit assignment, Ernst & Young	5 527	7 908	5 527	7 908
Audit assignment, Londen & Van Holland	8 759	8 772	-	-
Audit assignment, other auditors	1 370	1 339	-	-
Other assignments, PriceWaterhouse Coopers	-	-	-	-
	15 656	18 019	5 527	7 908

Note 6 Personnel

The group has not had any employees during the financial year.
 Neither salaries nor remunerations have been paid.

The board of directors	2017 04 01	whereof	2016 04 01	whereof
<i>Number of persons in the board</i>	2018 03 31	women	2017 03 31	women
Parent company				
Directors	4	2	4	2
The group				
Directors	9	2	9	2

Note 7 Financial expenses

	<i>Group</i> 2017-04-01 2018-03-31	<i>Group</i> 2016-04-01 2017-03-31	<i>Parent company</i> 2017-04-01 2018-03-31	<i>Parent company</i> 2016-04-01 2017-03-31
Exchange rate losses on financial assets and liabilities	21 609	-	854	-
Other financial expenses	558	405	-	-
	22 167	405	854	-

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Note 8 Other securities held as fixed assets

	2018 03 31	2017 03 31
<i>Group</i>		
Opening balance	53 930 500	50 857 589
Investment	-	-
Exchange rate adjustment	- 7 125 374	3 072 911
Closing balance	46 805 126	53 930 500
Net value at the end of the period	46 805 126	53 930 500

The joint operation Indoil Netherlands B.V. holds 7% of the voting rights as well as the number of shares in Petrocarabobo S.A. Venezuela and 24.2% of the voting rights as well as the number of shares in Carabobo Ingenieria y Construcciones S.A., Venezuela. Indoil Netherlands maintains a non-interest bearing intercompany position with its investment Carabobo Ingenieria y Construcciones S.A. It is the intention that this intercompany position will be converted into capital. No conversion date has been agreed. During the year under review no additional amount has been contributed by the Company.

Note 9 Participation in subsidiaries

	2018 03 31	2017 03 31
<i>Parent company</i>		
Opening balance	1 000	1 000
Investment	-	-
Closing balance	1 000	1 000
Net value at the end of the period	1 000	1 000

Specification of the Parent company's participation in subsidiaries

<i>Subsidiaries</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2017-2018 Profit/loss for the year</i>	<i>2018-03-31 Total equity</i>	<i>2018-03-31 Booked value</i>
IOC Cyprus Limited, Cyprus Registered address: Nicosia	HE278431	100%	-21 645	74 491	1 000

<i>Subsidiaries</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2016-2017 Profit/loss for the year</i>	<i>2017-03-31 Total equity</i>	<i>2017-03-31 Booked value</i>
IOC Cyprus Limited, Cyprus Registered address: Nicosia	HE278431	100%	-13 558	62 127	1 000

Note 10 Participation in joint operation

	<i>2018 03 31</i>	<i>2017 03 31</i>
<i>Parent company</i>		
Opening balance	46 606 709	46 606 709
Investment	-	-
Write-down of participation	-	-
Reversal of write-down	-	-
Closing balance	<u>46 606 709</u>	<u>46 606 709</u>
Net value at the end of the period	46 606 709	46 606 709

Specification of the Parent company's participation in joint operation

<i>Subsidiaries</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2017-2018 Profit/loss for the year</i>	<i>2018-03-31 Total equity</i>	<i>2018-03-31 Net value</i>
Indoil Netherlands B.V., Netherlands Registered address: Amsterdam Whereof belongs to IOC Sweden's part	34 313 115	50%	-111 353	93 621 576	46 606 709
			-55 676	46 810 788	46 606 709

Note 11 Prepaid expenses and accrued income

	<i>2018 03 31</i>	<i>2017 03 31</i>
<i>Group</i>		
Other prepaid expenses	12 934	3 622
	<u>12 934</u>	<u>3 622</u>

Note 12 Equity

<i>Date</i>		<i>Number of shares</i>		<i>Share capital</i>
2010-02-26	Incorporation	1 000	SEK	100 000
2010-07-02	New share issue	1 350 100	SEK	135 010 000
2010-08-20	New share issue (registered 2011-04-14)	25 125	SEK	2 512 500
	Total March 31, 2011	<u>1 376 225</u>	SEK	<u>137 622 500</u>
2011-04-01	Recalculation of share capital to Euro due to change of accounting currency		Euro	15 406 251,05
2012-03-27	New share issue (registered 2012-04-10)	<u>1 355 832</u>	Euro	<u>15 177 861,32</u>

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

	<i>Total March 31, 2012</i>	2 732 057		30 584 112,37
2013-03-28	New share issue (registered 2013-04-24)	614 931	Euro	6 883 845,08
	<i>Total March 31, 2013</i>	3 346 988		37 467 957,45
2014-03-28	New share issue (registered 2014-04-22)	342 549	Euro	3 834 675
	<i>Total March 31, 2014</i>	3 689 537		41 302 632,49
2015-03-20	New share issue (registered 2015-03-30)	436 887	Euro	4 890 745
	<i>Total March 31, 2015</i>	4 126 424		46 193 377
2016-03-31	New share issue (registered 2016-04-21)	78 411	Euro	877 774
	<i>Total March 31, 2016</i>	4 204 835		47 071 151
	<i>Total March 31, 2017</i>	4 204 835	Euro	47 071 151
	<i>Total March 31, 2018</i>	4 204 835	Euro	47 071 151

<i>Average number of shares financial year 2017-04-01 – 2018-03-31</i>	4 204 835
<i>Average number of shares financial year 2016-04-01 – 2017-03-31</i>	4 204 835
<i>Average number of shares financial year 2015-01-01 – 2016-03-31</i>	4 126 638
<i>Average number of shares financial year 2014-04-01 – 2015-03-31</i>	3 703 900
<i>Average number of shares financial year 2013-04-01 – 2014-03-31</i>	3 349 803
<i>Average number of shares financial year 2012-04-01 – 2013-03-31</i>	2 737 111
<i>Average number of shares financial year 2011-04-01 – 2012-03-31</i>	1 391 083

Note 13 Accrued expenses and prepaid income

	<i>Group</i> <i>2018-03-31</i>	<i>Group</i> <i>2017-03-31</i>	<i>Parent</i> <i>company</i> <i>2018-03-31</i>	<i>Parent</i> <i>company</i> <i>2017-03-31</i>
Accrued audit fees	12 405	17 274	6 077	7 233
Accrued accounting fees	7 243	10 175	2 878	854
Other accrued expenses	8 210	3 897	2 431	2 300
	27858	31 346	11 386	10387

Note 14 Transactions with related parties

IOC Sweden AB is a wholly-owned subsidiary to Indian Oil Corporation Limited.

IOC Cyprus Ltd is a wholly-owned subsidiary to IOC Sweden AB.

The company is related with its parent company, its subsidiary and the joint operation Indoil Netherlands B.V.

No purchases or sales have been made within the group.

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

Transactions with related parties		
<i>Parent company</i>	<i>2018 03 31</i>	<i>2017 03 31</i>
Receivables from IOC Cyprus Ltd	82 331	54 632
Receivables from Indoil Netherlands	99 250	44 250
Liabilities to parent company Indian Oil Corporation Limited	-	-

IndoilNetherlandsB.V. entered into a Secondment Agreement with effective date 21 January 2011. It was agreed to second certain personal from the Company or its affiliates to Carabobo Ingenieria y Construcciones, S.A. For this purpose,Indoil Netherlands B.V. raised invoices for manpower cost to Carabobo Ingenieria y Construcciones, S.A. for the period 1 April 2017 till 31 March 2018 in amount of USD 394 851.

In respect to general and administrative expenses, the Indoil Netherlands B.V. entered into Secondment Agreement with effective date 21 January 2011. It was agreed to second certain personnel from ultimate shareholders of Indoil Netherlands B.V. to Indoil Netherlands B.V. For this purpose,Indoil Netherlands B.V. received invoices for manpower cost for a total amount of USD 393 956 in the year 2017/2018.

<i>Group</i>	<i>2018 03 31</i>	<i>2017 03 31</i>
Receivable from CaraboboIngenieria y Construcciones, S.A.	1 153 210	1 144 021
Liabilities to foreign group company	-390 675	-449 610
<i>Group</i>	<i>2018 03 31</i>	<i>2017 03 31</i>
Secondment income	168 693	361 238
Secondment and general expenses	-468	-176 754

<i>Group</i>	<i>2018 03 31</i>	<i>2017 03 31</i>
Translation differences on foreign operations for the year	-7 101 219	3 062 658

Note 15 Consolidated pledged assets and contingent liabilities

<i>Amount in Euro</i>	<i>Note</i>	<i>2018 03 31</i>	<i>2017 03 31</i>
Pledged assets		None	None
Contingent liabilities		53 340 000	53 233 844

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

To be able to participate in Petrocarabobo S.A. the Indoil Netherlands B.V. entered into a Signature Bonus agreement for a total amount of USD 183,750,000 to be paid to the Republic of Venezuela, (USD 91 875 000 for IOC Sweden AB). Total amount of USD 70,000,000 has been paid as at 31 March 2018. The payment of the remainder amount is based on the achievement of the following milestones:

- USD 3,500,000 shall be paid within 15 calendar days following the earlier of the following events: (i) the date on which Petrocarabobo S.A. notifies its shareholders that it has completed its first delivery of hydrocarbons, (ii) the starting date of Phase 3 of the Project.
- USD 36,750,000 shall be paid within 15 calendar days following the starting date of Phase 3 of the Project. USD 36,750,000 shall be paid within 15 calendar days following the first anniversary of the starting date of Phase 3 of the Project; and
- USD 36,750,000 shall be paid within 15 calendar days following the second anniversary of the starting date of Phase 3 of the Project.

As it is uncertain when and if above mentioned milestones will be met, the Company report these amounts as contingent liabilities (in the consolidated statements).

Note 16 Translation differences on foreign operations for the year

In the joint operation entity, all assets and liabilities expressed in currencies other than US-dollars have been translated at the rates of exchange prevailing at the balance sheet date, except for the investments in participations which are stated at historical rates. All transactions in foreign currencies have been translated into US dollars at the rates of exchange approximating those ruling at the date of the transactions. Resulting exchange differences have been recognized 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 31 March 2018: USD 1 = EUR 0.81215 (31 March 2017: EUR 0.93579).

Translation of the above into the consolidated statements for IOC Sweden AB resulted in significant amount of currency translation reserve.

Note 17 Subsequent events

There are no subsequent events after the year end closing

Note 18 Financial risk

The Group's main exposure to financial risk consists of currency risk, liquidity and financing risk and interests.

Currency risk

The consolidated statement of comprehensive income is effected by exchange rate exposure when the joint operation's income statement is translated into EUR. The consolidated equity is also affected by exchange rate exposure when the net assets in the joint operation are translated into EUR.

IOC Sweden AB

Corporate identity no 556801-3626

Annual report 2017 04 01 – 2018 03 31

IOC Sweden AB has, with start from the beginning of financial year 2011/2012, changed its accounting currency to Euro, to decrease the risk of exchange rate fluctuations affecting the profit/loss for the year.

Liquidity and financing risk

Liquidity and financing risk refers to the fact that IOC Sweden AB cannot meet its payment obligations due to insufficient liquidity or difficulties in raising new loans.

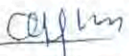
The activities of the group are fully financed by capital injections from the parent company Indian Oil Corporation Limited.

The principal activity of the group is to, through the joint operation Indoil Netherlands B.V., invest in joint arrangement with activities in Project Carabobo, Venezuela. The project will require additional financing, which will be fully covered by the parent company.

Interest risk

The group's revenues and operating cash flow are in all essentially not affected by interest rate adjustments due to the condition of the market.

Stockholm, on


Om Parkash
Chairman of the board


Amita Singh

Michael Seligman

Anna-Maria Zowal

My audit report was issued on

Stefan Andersson Berglund
Authorized public accountant

IOC Sweden AB

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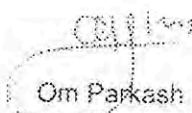
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