

## Auditor's report to the Group Management on the audit for group consolidation purposes

Name of component: IOC Sweden AB

Corporate identity number: 556801-3626

Year end: 31 March 2020

Currency: EUR

To: The Group Management of Indian Oil Corporation Limited,

As requested by management of Indian Oil Company Limited, I have audited, for the purpose of your audit of the group financial statements of Indian Oil Company Limited, the accompanying special purpose financial information of Oil Company Limited. The component, a subsidiary of Indian Oil Company Limited as of 31 March 2020 and for the year then ended. The special purpose financial information has been prepared solely to enable Indian Oil Company Limited to prepare group financial statements.

The special purpose financial information comprises:

1. the balance sheet as at 31 March 2020;
2. the profit and loss account for the year ended 31 March 2020; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

### **Management's responsibility for the accompanying financial statements**

Management is responsible for the preparation and presentation of the accompanying financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of the accompanying financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

My responsibility is to express an opinion on the accompanying financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. International Standards on Auditing require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the accompanying financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the accompanying financial statements. The procedures selected depend on my judgment, including the assessment of the risks of material misstatement of the accompanying financial statements, whether due to fraud or error. In making those risk assessments, I consider internal control relevant to the component's preparation and presentation of the accompanying financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the component's internal control. An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the accompanying financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Basis for qualified opinion**

#### **Scope Limitation**

With regard to the participation in Petrocarabobo S.A., Venezuela, management was not able to provide us with the financial statements 2018/2019 (including the auditor's report) due to the lockdown because of COVID-19 in Venezuela. Therefore, I was not able to determine whether the valuation of the participation in Petrocarabobo S.A. in the accompanying financial statements of IOC Sweden AB is correct. I was not able to audit the valuations or have the valuations audited due to the lockdown because of COVID-19 in Venezuela. However, Management made valuations which shows that the expected revenues from the exploitation of the oilfields exceed the carrying cost of the investment in Petra Carabobo S.A. The principles and assumptions were discussed with the Management and found reasonable.

### **Qualified opinion**

In the Financial statements, except for the effects of the matters described in the basis for qualified opinion above, in my opinion, the accompanying financial statements for the Component as of 31 March 2020 and for the period then ended have been prepared, in all material respects, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU.

### **Emphasis of matter regarding contingent liabilities**

I would like to draw attention to note 13 in the annual report for the group which describes the movements linked to investment in Petrocarabobo S.A., Venezuela, as per 31 March 2020. The note shows that, in view of the current political and economic situation in Venezuela, there is considerable uncertainty as to and when the situation in the country will improve in such a way that the outcome of the investment in Petrocarabobo S.A. is expected to be met. In order to secure the investment for the company, the ultimate parent companies, Indian Oil Corporation Limited and Oil India Limited, have exhibited a guarantee regarding the investment in Petrocarabobo S.A. and the Signaturbonus agreement. I have not modified my opinion because of this.

***Restriction on Use and Distribution***

The accompanying financial statements have been prepared for purposes of providing information to Indian Oil Company Limited to enable it to prepare the group financial statements. As a result, the accompanying financial statements are not a complete set of financial statements of IOC Sweden AB in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and are not intended to present fairly, in all material respects (or to give a true and fair view of) the financial position of IOC Sweden AB as of 31 March 2020 and of its financial performance, and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The accompanying financial statements may, therefore, not be suitable for another purpose.

This report is intended solely for the information and use of the group management in conjunction with the preparation of the group financial statements of Indian Oil Company Limited and should not be used by or distributed to, anyone for any other purpose. If you have any questions on this report, please contact me.

Stockholm, June 17, 2020



Stefan Andersson Berglund  
Authorized Public Accountant

**Annual report**  
for  
**IOC Sweden AB**  
556801-3626  
Financial year  
2019-04-01 – 2020-03-31

This financial report is a translation from the official Swedish annual report.

The Board of Directors of IOC Sweden AB hereby submits the annual report for the financial year 2019-04-01 – 2020-03-31.

## Consolidated statement of comprehensive income

<i>Amount in Euro</i>	<i>Note</i>	<i>2019-04-01 2020-03-31</i>	<i>2018-04-01 2019-03-31</i>
<b>Operating income</b>			
Secondment income	3, 12	80 441	129 592
<b>Total operating income</b>		<b>80 441</b>	<b>129 592</b>
<b>Operating expenses</b>			
Other external expenses	3, 4, 5, 12	-219 034	-283 145
<b>Total operating expenses</b>		<b>-219 034</b>	<b>-283 145</b>
<b>Operating profit/loss</b>		<b>-138 593</b>	<b>-153 553</b>
<b>Financial items</b>			
	6		
Financial income		182 060	20 578
Financial expenses		-1 776	-2 472
<b>Net financial items</b>		<b>180 284</b>	<b>18 107</b>
<b>Net profit/loss for the year</b>		<b>41 691</b>	<b>-135 446</b>
<b>Earnings per share (Euro)</b>		<b>0.01</b>	<b>-0.03</b>
<b>Other comprehensive income/expenses</b>			
Translation differences on foreign operations for the year	7	1 065 863	4 506 107
<b>Total comprehensive income/expenses</b>		<b>1 065 863</b>	<b>4 506 107</b>
<b>Total comprehensive profit/loss for the year</b>		<b>1 107 554</b>	<b>4 370 661</b>

## Consolidated statement of financial position

<i>Amount in Euro</i>	<i>Note</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
<b>ASSETS</b>			
<b>Fixed assets</b>	8		
<b>Intangible fixed assets</b>			
Intangible asset under development		0	22 252
<b>Financial fixed assets</b>			
Other securities held as fixed assets		63 580 618	51 328 065
<b>Total fixed assets</b>		<b>63 580 618</b>	<b>51 350 317</b>
<b>Current assets</b>			
Receivables from group companies	12	1 506 170	1 395 753
Prepaid expenses and accrued income	9	13 878	13 444
Cash and cash equivalents		63 330	41 434
<b>Total current assets</b>		<b>1 583 378</b>	<b>1 450 632</b>
<b>TOTAL ASSETS</b>		<b>65 163 996</b>	<b>52 800 949</b>

## Consolidated statement of financial position

<i>Amount in Euro</i>	<i>Note</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	47 482 251	47 071 151
Share capital under registration		11 089 690	0
Shareholders' contributions		0	280 000
Translation difference		6 067 578	5 001 715
Unrestricted reserves		-1 061 683	-926 237
Net/profit for the year		41 691	-135 446
<b>Total equity</b>		<b>63 619 527</b>	<b>51 291 183</b>
<b>Current liabilities</b>			
Accounts payable		1 075 511	965 684
Liabilities to group companies	12	437 371	500 103
Accrued expenses and prepaid income	11	31 587	43 979
		<b>1 544 469</b>	<b>1 509 766</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>65 163 996</b>	<b>52 800 949</b>



## Consolidated statement of changes in equity

<i>Amount in Euro</i>	Share capital	Issued share capital under registration	Shareholders contribution	Translation difference	Accumulated profit or loss	Result for the year	Total equity
Opening balance 2018-04-01	47 071 151	0	205 000	495 608	-822 434	-103 803	46 845 522
Shareholder's contributions			75 000				75 000
Appropriation of result					-103 803	103 803	0
Total comprehensive result for the year				4 506 107		-135 446	4 370 661
Closing balance 2019-03-31	47 071 151	0	280 000	5 001 715	-926 237	-135 446	51 291 183
Opening balance 2019-04-01	47 071 151	0	280 000	5 001 715	-926 237	-135 446	51 291 183
Shareholder's contributions					-	-	0
Reclassification			-280 000				-280 000
Appropriation of result					-135 446	135 446	0
Total comprehensive result for the year				1 065 863		41 691	1 107 554
New shares issue	411 100	11 089 690					11 500 790
Closing balance 2020-03-31	47 482 251	11 089 690	0	6 067 578	-1 061 683	41 691	63 619 527

## Consolidated cash flow statement

<i>Amount in Euro</i>	<i>2019-04-01 2020-03-31</i>	<i>2018-04-01 2019-03-31</i>
<b>Operating activities</b>		
Net profit/loss	41 691	-135 446
Adjustment for items not affecting cash flow	0	0
<b>Cash flow from operating activities before changes in operating capital</b>	<b>41 691</b>	<b>-135 446</b>
<i>Cash flow from changes in operating capital</i>		
Increase (-) / Decrease (+) of operating receivables	-110 851	-243 053
Increase (+) / Decrease (-) of operating liabilities	34 703	331 500
<b>Cash flow from operating activities</b>	<b>-34 457</b>	<b>-47 000</b>
<b>Investment activities</b>		
Acquisition of intangible asset under development	22 252	-22 252
Acquisition of other securities held as fixed assets	-11 181 051	0
<b>Cash flow from investment activities</b>	<b>-11 158 799</b>	<b>-22 252</b>
<b>Financing activities</b>		
New share issue	11 500 790	0
Shareholder contribution	-280 000	75 000
<b>Cash flow from financing activities</b>	<b>11 220 790</b>	<b>75 000</b>
<b>Cash flow for the year</b>	<b>27 534</b>	<b>5 748</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>41 434</b>	<b>52 518</b>
<b>Translation differences on foreign operations for the year</b>	<b>-5 639</b>	<b>-16 832</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>63 330</b>	<b>41 434</b>



## Parent company's income statement

<i>Amount in Euro</i>	<i>Note</i>	<i>2019-04-01</i> <i>2020-03-31</i>	<i>2018-04-01</i> <i>2019-03-31</i>
<hr/>			
<b>Operating income</b>			
Net sales		0	0
<b>Total operating income</b>		<hr/> 0	<hr/> 0
<b>Operating expenses</b>			
Other external expenses	3, 4, 5	-61 771	-90 659
<b>Total operating expenses</b>		<hr/> -61 771	<hr/> -90 659
<b>Operating profit/loss</b>		<hr/> -61 771	<hr/> -90 659
<b>Financial items</b>	6		
Interest income and similar items		176 663	0
Interest expenses and similar items		-1 228	-1 996
<b>Net financial items</b>		<hr/> 175 435	<hr/> -1 996
<b>Net profit/loss for the year</b>		<hr/> 113 664	<hr/> -92 655

## Parent company's balance sheet

<i>Amounts in Euro</i>	<i>Note</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
<b>ASSETS</b>			
<b>Fixed assets</b>	8		
<b>Intangible fixed assets</b>			
Intangible asset under development		0	22 252
<b>Financial fixed assets</b>			
Participation in subsidiaries		1 000	1 000
Participation in joint operation		46 606 709	46 606 709
Other financial assets		11 181 051	0
<b>Total fixed assets</b>		<b>57 788 760</b>	<b>46 629 961</b>
<b>Current assets</b>			
Receivables from related parties	12	313 616	241 949
Cash and cash equivalents		47 764	11 505
<b>Total current assets</b>		<b>361 380</b>	<b>253 454</b>
<b>TOTAL ASSETS</b>		<b>58 150 141</b>	<b>46 883 415</b>

## Parent company's balance sheet

Amounts in Euro	Note	2020-03-31	2019-03-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	10		
<i>Restricted equity</i>			
Share capital		47 482 251	47 071 151
Share capital under registration		11 089 690	0
Shareholders' contributions		0	280 000
<i>Non-restricted equity</i>			
Profit/loss carried forward		-552 633	-459 978
Translation difference		0	0
Net/profit for the year		113 664	-92 655
<b>Total equity</b>		<b>58 132 972</b>	<b>46 798 518</b>
<b>Current liabilities</b>			
Accounts payable		4 442	1 731
Accrued expenses and prepaid income	11	12 727	11 492
Payables to related parties	12	0	71 675
		<b>17 169</b>	<b>84 897</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>58 150 141</b>	<b>46 883 415</b>

## Parent company's changes in equity

<i>Amount in Euro</i>	Share capital	Issued share capital under registration	Shareholders contribution	Translation difference	Accumulated profit or loss	Result for the year	Total equity
Opening balance 2018-04-01	47 071 151	0	205 000	12	-433 496	-26 482	46 816 185
Shareholder's contributions			75 000				75 000
Appropriation of result					-26 482	26 482	0
Result for the year				-12		-92 655	-92 667
Closing balance 2019-03-31	47 071 151	0	280 000	0	-459 978	-92 655	46 798 518
Opening balance 2019-04-01	47 071 151	0	280 000	0	-459 978	-92 655	46 798 518
Shareholder's contributions							0
Reclassification			-280 000				-280 000
Appropriation of result					-92 655	92 655	0
Result for the year				0		113 664	113 664
New shares issue	411 100	11 089 690					11 500 790
Closing balance 2020-03-31	47 482 251	11 089 690	0	0	-552 633	113 664	58 132 972

## Parent company's cash flow statement

<i>Amount in Euro</i>	<i>2019-04-01 2020-03-31</i>	<i>2018-04-01 2019-03-31</i>
<b>Operating activities</b>		
Operating profit/loss	113 664	-92 655
<b>Cash flow from operating activities before Changes in operating capital</b>	<b>113 664</b>	<b>-92 655</b>
<i>Cash flow from changes in operating capital</i>		
Increase (-) / Decrease (+) of operating receivables	-71 667	-60 368
Increase (+) / Decrease (-) of operating liabilities	-67 728	73 514
<b>Cash flow from operating activities</b>	<b>-25 731</b>	<b>-79 509</b>
<b>Investment activities</b>		
Acquisition of intangible asset under development	22 252	-22 252
Acquisition of other securities held as fixed assets	-11 181 051	0
<b>Cash flow from investment activities</b>	<b>-11 158 800</b>	<b>-22 252</b>
<b>Financing activities</b>		
New share issue	11 500 790	0
Share premium reserve	-280 000	75 000
<b>Cash flow from financing activities</b>	<b>11 220 790</b>	<b>75 000</b>
<b>Cash flow for the year</b>	<b>36 260</b>	<b>-26 761</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>11 505</b>	<b>38 278</b>
<b>Exchange differences on foreign operations for the year</b>	<b>-1</b>	<b>-12</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>47 764</b>	<b>11 505</b>

## 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, Sergels Torg 12, 13tr, SE-11157, Stockholm.

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

The consolidated accounts for the financial year 2019-04-01 – 2020-03-31 comprise of the Parent company, the whollyowned 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.

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.

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.

### Note 2 Personnel

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

<b>The board of directors</b>		<i>2019-04-01</i>	<i>whereof</i>	<i>2018-04-01</i>	<i>whereof</i>
Number of people on the board		<i>2020-03-31</i>	<i>women</i>	<i>2019-03-31</i>	<i>women</i>
<i>Group</i>					
Directors		9	3	9	2
<i>Parent company</i>					
Directors		4	1	4	1

### 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>2018-04-01 – 2019-03-31</i>	<i>IOC Sweden</i>	<i>Indoil Netherlands</i>	<i>Other</i>	<i>Total</i>
Secondment income	0	129 592	0	129 592
Operating profit/loss	-90 659	-46 909	-15 986	-153 553
Profit/loss before tax	-92 655	-34 936	-7 855	-135 446
Net profit for the year	-92 655	-34 936	-7 855	-135 446
Assets	46 883 415	52 757 549	-46 840 016	52 800 948
Whereof intra-group assets	-46 849 658	0	46 849 658	0
Assets excluding intra-group assets	33 757	52 757 549	9 642	52 800 948
Liabilities	84 897	1 423 192	1 677	1 509 766
Whereof intra-group liabilities	0	0	0	0
Liabilities excluding intra-group liabilities	84 897	1 423 191.503	1 677	1 509 766
<i>2019-04-01 – 2020-03-31</i>	<i>IOC Sweden</i>	<i>Indoil Netherlands</i>	<i>Other</i>	<i>Total</i>
Secondment income	0	80 441	0	80 441
Operating profit/loss	-61 771	-60 588	-16 235	-138 593
Profit/loss before tax	113 664	-57 125	-14 847	41 691
Net profit for the year	113 664	-57 125	-14 847	41 691
Assets	58 150 141	53 925 388	-46 911 533	65 163 995
Whereof intra-group assets	-46 921 325	0	46 921 326	0
Assets excluding intra-group assets	11 228 816	53 925 388	9 792	65 163 996
Liabilities	17 169	1 525 242	2 058	1 544 469
Whereof intra-group liabilities	0	0	0	0
Liabilities excluding intra-group liabilities	17 169	1 525 242	2 058	1 544 469

### Note 4 Other external expenses

	<i>Group 2019-04-01 2020-03-31</i>	<i>Group 2018-04-01 2019-03-31</i>	<i>Parent company 2019-04-01 2020-03-31</i>	<i>Parent company 2018-04-01 2019-03-31</i>
Administrative expenses	239 206	199 226	103 689	29 808
Audit fees	19 511	22 492	6 970	8 444
Other expenses	-39 683	61 427	-48 889	52 407
	219 034	283 145	61 771	90 659

**Note 5 Remuneration to auditors**

	Group	Group	Parent company	Parent company
	2019-04-01	2018-04-01	2019-04-01	2018-04-01
	2020-03-31	2019-03-31	2020-03-31	2019-03-31
Audit assignment, Ernst & Young	6 970	8 444	6 970	8 444
Audit assignment, KPMG	4 175	7 888	0	0
Audit assignment, Londen & Van Holland	6 920	4 750	0	0
Audit assignment, Commodum	1 445	1 410	0	0
	19 511	22 492	6 970	8 444

**Note 6 Financial items**

	Group	Group	Parent company	Parent company
	2019-04-01	2018-04-01	2019-04-01	2018-04-01
	2020-03-31	2019-03-31	2020-03-31	2019-03-31
<i>Financial income</i>				
Exchange rate gains on financial assets and liabilities	182 060	20 578	176 663	0
	182 060	20 578	176 663	0
<i>Financial expenses</i>				
Exchange rate losses on financial assets and liabilities	0	993	0	993
Other financial expenses	1 776	1 479	1 228	1 003
	1 776	2 472	1 228	1 996

**Note 7 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 2020: USD 1 = EUR 0.90922 (31 March 2019: EUR 0.89063).

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

**Note 8 Fixed assets**

	Group	Group	Parent company	Parent company
	2020-03-31	2019-03-31	2020-03-31	2019-03-31
<b>Intangible asset under development</b>				
Opening balance	22 252	0	22 252	0
Investment	0	22 252	0	22 252
Exchange rate adjustment	0	0	0	0
Relinquish of investment	-22 252	0	-22 252	0
Closing balance	0	22 252	0	22 252
<b>Net value at the end of the period</b>	<b>0</b>	<b>22 252</b>	<b>0</b>	<b>22 252</b>

Indian Consortium (IC) comprising IndianOil, ONGC Videsh Ltd. (OVL), Bharat PetroResources Ltd. (BPRL) and Oil India Ltd. (OIL) has been awarded Exploration Block 32, Israel by the Government of Israel under 1st Offshore Israel Bid Round 2016. Each Consortium Partner holds 25% Participating Interest (PI) in this Deep-water Exploration Block. 25% stake in the block-32 was to be transferred to IOC Sweden AB by its parent company IndianOil Corporation Limited. As internally decided by the Board of Parent entity (i.e. Indian Oil Corporation Limited), as of the balance sheet date Block 32 investment in Israel has been relinquished. Henceforth, there is no assignment of this investment from IOCL to Sweden Entity.



**Note 8 Fixed assets - continued**

<i>Group</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
<b>Other securities held as fixed assets</b>		
Opening balance	51 328 065	46 805 126
Investment	11 181 051	0
Exchange rate adjustment	1 071 502	4 522 939
Closing balance	63 580 618	51 328 065
<b>Net value at the end of the period</b>	<b>63 580 618</b>	<b>51 328 065</b>

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.

In January 2020 IOC Sweden purchased 82,770 shares at the price of US\$ 148 per share amounting to 12,25 Mln USD through issuance of new and existing ordinary shares commensurate to ~7,5% stake in Phinergy Ltd.(Phinergy), Israel.

<i>Parent company</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
<b>Participation in subsidiaries</b>		
Opening balance	1 000	1 000
Investment	0	0
Closing balance	1 000	1 000
<b>Net value at the end of the period</b>	<b>1 000</b>	<b>1 000</b>

**Specification of the Parent company's participation in subsidiaries**

<i>Subsidiaries</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2019-03-31 Profit/loss for the year</i>	<i>2019-03-31 Total equity</i>	<i>2019-03-31 Booked value</i>
IOC Cyprus Limited, Cyprus Registered address: Nicosia	HE278431	100%	-7 855	-89 636	1 000
<i>Subsidiaries</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2020-03-31 Profit/loss for the year</i>	<i>2020-03-31 Total equity</i>	<i>2020-03-31 Booked value</i>
IOC Cyprus Limited, Cyprus Registered address: Nicosia	HE278431	100%	-14 847	-106 509	1 000

**Note 8 Fixed assets - continued**

*Parent company* 2020-03-31 2019-03-31

**Participation in joint operation**

Opening balance	46 606 709	46 606 709
Investment	0	0
Closing balance	46 606 709	46 606 709
<b>Net value at the end of the period</b>	<b>46 606 709</b>	<b>46 606 709</b>

**Specification of the Parent company's participation in joint operation**

<i>Joint operations</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2019-03-31 Profit/loss for the year</i>	<i>2019-03-31 Total equity</i>	<i>2019-03-31 Booked value</i>
Indoil Netherlands B.V., Netherlands	34313115	50%	-69 874	102 668 716	
Registered address: Amsterdam					
Whereof belongs to IOC Sweden's part			-34 937	51 334 358	46 606 709
	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2020-03-31 Profit/loss for the year</i>	<i>2020-03-31 Total equity</i>	<i>2020-03-31 Booked value</i>
Indoil Netherlands B.V., Netherlands	34313115	50%	-114 251	104 800 292	
Registered address: Amsterdam					
Whereof belongs to IOC Sweden's part			-57 125	52 400 146	46 606 709

**Participations in other companies**

	<i>Group</i>	<i>Group</i>	<i>Parent company</i>	<i>Parent company</i>
	<i>2020-03-31</i>	<i>2019-03-31</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
<b>Other financial assets</b>				
Opening balance	0	0	0	0
Investment	11 181 051	0	11 181 051	0
Exchange rate adjustment	0	0	0	0
Closing balance	11 181 051	0	11 181 051	0
<b>Net value at the end of the period</b>	<b>11 181 051</b>	<b>0</b>	<b>11 181 051</b>	<b>0</b>

In January 2020 IOC Sweden purchased 82,770 shares at the price of US\$ 148 per share amounting to 12,25 Mln USD through issuance of new and existing ordinary shares commensurate to ~7,5% stake in Phinergy Ltd.(Phinergy), Israel.

**Note 9 Prepaid expenses and accrued income**

<i>Group</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
Other prepaid expenses	13 878	13 444
	13 878	13 444

**Note 10 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
2011-04-01 Recalculation of share capital to Euro due to change of accounting currency SEK 137 622 500 equal to EUR 15 406 251		Euro 15 406 251
2012-03-27 New share issue (registered 2012-04-10)	1 355 832	Euro 15 177 861
2013-03-28 New share issue (registered 2013-04-24)	614 931	Euro 6 883 845
2014-03-28 New share issue (registered 2014-04-22)	342 549	Euro 3 834 675
2015-03-20 New share issue (registered 2015-03-30)	436 887	Euro 4 890 745
2016-03-31 New share issue (registered 2016-04-21)	78 411	Euro 877 774
2019-10-22 New share issue (registered 2019-11-05)	36 723	Euro 411 100
2020-03-25 New share issue (registered 2020-04-17)	990 637	Euro 11 089 690
<i>Total March 31, 2020</i>	<i>5 232 195</i>	<i>Euro 58 571 942</i>
<i>Average number of shares financial year 2019-04-01 – 2020-03-31</i>	<i>4 240 036</i>	
<i>Average number of shares financial year 2018-04-01 – 2019-03-31</i>	<i>4 204 835</i>	
<i>Average number of shares financial year 2017-04-01 – 2018-03-31</i>	<i>4 204 835</i>	
<i>Average number of shares financial year 2016-04-01 – 2017-03-31</i>	<i>4 204 835</i>	
<i>Average number of shares financial year 2015-01-01 – 2016-03-31</i>	<i>4 126 638</i>	
<i>Average number of shares financial year 2014-04-01 – 2015-03-31</i>	<i>3 703 900</i>	
<i>Average number of shares financial year 2013-04-01 – 2014-03-31</i>	<i>3 349 803</i>	
<i>Average number of shares financial year 2012-04-01 – 2013-03-31</i>	<i>2 737 111</i>	
<i>Average number of shares financial year 2011-04-01 – 2012-03-31</i>	<i>1 391 083</i>	

**Note 11 Accrued expenses and prepaid income**

	<i>Group</i>	<i>Group</i>	<i>Parent company</i>	<i>Parent company</i>
	<i>2020-03-31</i>	<i>2019-03-31</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
Accrued audit fees	19 287	26 875	6 780	7 220
Accrued accounting fees	6 107	8 326	3 616	1874
Other accrued expenses	6 194	8 779	2 330	2 398
	<u>31 587</u>	<u>43 979</u>	<u>12 727</u>	<u>11 492</u>

**Note 12 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.

Indoil Netherlands B.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 2019 till 31 March 2020 in amount of USD 178 788 (USD 294 408).

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 the period 1 April 2019 till 31 March 2020 in amount of USD 178 340 (USD 293 736).

Transactions with related parties.

	<i>Group</i>	<i>Group</i>	<i>Parent company</i>	<i>Parent company</i>
	<i>2020-03-31</i>	<i>2019-03-31</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
Secondment income	80 441	129 592	0	0
Secondment and general expenses	80 239	129 297	0	0
General and administrative expenses Project Israel	-53 465	49 423	-53 465	49 423
Translation differences on foreign operations	1 065 863	4 506 107	0	0
<i>Group</i>	<i>2020-03-31</i>	<i>2019-03-31</i>		
Receivable Carabobo Ingenieria y Construcciones, S.A.	1 506 170	1 395 753		
Liabilities to Indian Oil Corporation Limited	-437 371	-500 103		
<i>Parent company</i>	<i>2020-03-31</i>	<i>2019-03-31</i>		
Receivables from IOC Cyprus Ltd	113 616	97 699		
Receivables from Indoil Netherlands	200 000	144 250		
	<u>313 616</u>	<u>241 949</u>		
Liabilities to Indian Oil Corporation Limited	0	-71 675		



**Note 13 Consolidated pledged assets and contingent liabilities**

<i>Amount in Euro</i>	<i>2020-03-31</i>	<i>2019-03-31</i>
<b>Pledged assets</b>	None	None
<b>Contingent liabilities</b>	51 712 056	50 654 613

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 2020. 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.

Due to the political and economic situation in Venezuela it is uncertain if and when the situation in Venezuela will improve in a way that the outcome of the investments in Petrocarabobo S.A. will be met. To safeguard the company, the ultimate parent company, Indian Oil Corporation and Oil India Limited, guarantees the investments in Petrocarabobo S.A. under the signature bonus agreement. 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 14      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 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.

#### **Note 15      Significant events after the financial year**

##### *Impact of COVID 19 on the operations of Venezuela*

Venezuela has been in lockdown since 16.03.2020 which is further extended up to 13.05.2020. Although, the field operations are in process with the production being reported daily but the offices in Venezuela are closed which has impacted Group monitoring of the project.

There is no immediate impact on the production from the project but as the global demand has significantly decreased worldwide long with the lowering of crude oil prices, it may impact the project in future. Indoil have arranged for a valuation report for PCB and the same is being assessed by the Auditors of Indoil Netherlands BV.


The COVID-19 Coronavirus outbreak in early 2020 has brought about additional uncertainties in the Company's operating environment and may impact the Company's operations in its financial position subsequent to the financial year end. The Company has been closely monitoring the impact of the developments on the Company's business and will develop contingency measures as the situation evolves. As the situation is fast evolving, the effect of outbreak is subject to significant levels of uncertainty, with the full range of possible effects unknown.

##### *Political development impact on the operations in Venezuela*

The production and development activities in the project have been affected due to the deteriorating socio-political situation of the country along with the US Sanctions on PDVSA and Venezuela. The production from the project has decreased from ~18,000 bbl/d (in January 2019, before the US Sanctions) to ~11,000 bbl/d (in April 2020). Also, no wells have been drilled since December 2017. The project may revive once the socio-political situation of the country improves as there is no subsurface risk in the project.



Stockholm, on .....


  
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Om Parkash  
Chairman of the board

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Amita Singh


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Christofer Bjelvénius

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Pavel Teplykh


My audit report was issued on June 17, 2020

  
\_\_\_\_\_  
Stefan Andersson Berglund  
Authorized public accountant

Stockholm, on .....

  
Om Parkash  
Chairman of the board

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Amita Singh

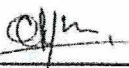
  
Christofer Bjelvenius

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Pavel Teplykh

My audit report was issued on .....


Stefan Andersson Berglund  
Authorized public accountant

Stockholm, on .....

  
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Om Parkash  
*Chairman of the board*

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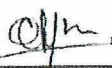
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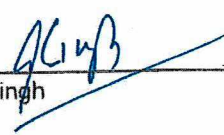
  
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My audit report was issued on .....

Stefan Andersson Berglund  
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