

Oil India Sweden AB

Corporate identity no 556794-0530

Annual report 2015 04 01 – 2016 03 31

Oil India Sweden AB

Annual report

For

Oil India Sweden AB

556794-0530

Financial year

2015 04 01 – 2016 03 31

The Board of Directors of Oil India Sweden AB hereby submits the annual report for the financial year 2015-04-01 – 2016-03-31, the Company's sixth financial year.

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Directors' report

Activities

Oil India Sweden AB was incorporated November 20, 2009.

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 Oil India 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 IOC 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.

Events of importance during the financial year

The Company has during the financial year made investments in Indoil Netherlands to an amount of 845 KEUR, amounts that have been used for further investments in Project Carabobo through the companies Petrocarabobo S.A. and Carabobo Ingenieria y Contruccion S.A., Venezuela.

The activity of the group is fully financed by capital injections from the parent company Oil India Limited. The share capital of the company has been increased through a new share issue, decided at a shareholders' meeting held on March 31st, 2016, by amount of 870 663.43 Euro, which is to amount of Euro 46 894 398.

The new shares issue has been registered at Swedish Companies Registration Office on April 20th, 2016.

Multi-year overview

Amount in K euro (consolidated)	2015 04 01	2014 04 01	2013 04 01	2012 04 01	2011 04 01
	2016 03 31	2015 03 31	2014 03 31	2013 03 31	2012 03 31
Net turnover	336	2 242	-	-	-
Result after fin. costs	-79	-76	-86	-89	-62
Balance sheet total	51 636	55 045	37 590	36 315	28 296
Equity/assets ratio (%)	98,5%	95,7%	99,9%	99,9%	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	-255 305
Net profit for the year	<u>-37 650</u>
	-292 955
Proposed allocation of disposable result	
Losses carried forward	<u>-292 955</u>
Total	-292 955

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Consolidated statement of comprehensive income

<i>Amount in Euro</i>	<i>Note</i>	<i>2015 04 01 2016 03 31</i>	<i>2014 04 01 2015 03 31</i>
Secondment income	14	335 681	2 241 654
Total operating income		335 681	2 241 654
Operating expenses			
Other external expenses	3,4,14	-404 756	-2 299 827
Personnel expenses	5	-	-
Operating profit/loss		-69 075	-58 173
Financial items			
Result from participation in associated companies		-3 672	-2 129
Financial income		-	-
Financial expenses	7	-6 333	-15 504
Net financial items		-10 005	-17 633
Net profit/loss for the year		-79 080	-75 806
Earnings per share (Euro)		-0,02	-0,02
Other comprehensive income/expenses			
Translation differences on foreign operations for the year	15	-2 612 376	10 344 409
Total comprehensive income/expenses		-2 612 376	10 344 409
Total comprehensive profit/loss for the year		-2 691 456	10 268 603

Consolidated statement of financial position

<i>Amount in Euro</i>	<i>Note</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
ASSETS			
Fixed assets			
Financial fixed assets			
Other securities held as fixed assets	8	50 857 589	52 663 547
Shares in associated companies		17 094	17 094
Total fixed assets		50 874 683	52 680 641
Current assets			
Receivable, associated company	14	728 961	2 338 339
Prepaid expenses and accrued income	11	3 238	3 218
Cash and cash equivalents		18 920	22 743
Total current assets		761 119	2 364 300
TOTAL ASSETS		51 625 802	55 044 941

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Consolidated statement of financial position

<i>Amount in Euro</i>	<i>Note</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	46 023 734	46 023 734
Issued share capital under registration		870 663	-
Translation difference		4 532 729	7 145 105
Unrestricted reserves		-497 977	-422 171
Net/profit for the year		-79 080	-75 806
Total equity		50 850 069	52 670 862
Current liabilities			
Liabilities to related parties	14	738 730	2 349 306
Accounts payable		5 682	2 065
Other current liabilities		-	-
Accrued expenses and prepaid income	13	31 321	22 708
		775 733	2 374 079
TOTAL EQUITY AND LIABILITIES		51 625 802	55 044 941

Consolidated pledged assets and contingent liabilities

<i>Amount in Euro</i>	<i>Note</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
Pledged assets		None	None
Contingent liabilities		50 189 728	52 808 728

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 Oil India Sweden AB). Total amount of USD 70,000,000 has been paid as at 31 March 2016. 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).

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Consolidated statement of changes in equity

	Share capital	Issued Share capital under registration	Translation difference	Retained earnings and profit for the year	Total equity
Opening balance 2014-04-01	37 324 130	3 853 852	-3 199 304	-422 171	37 556 507
New share issue registered	3 853 852	-3 853 852	-	-	-
New share issue	4 845 752	-	-	-	4 845 752
Total comprehensive profit for the year	-	-	10 344 409	-75 806	10 268 603
Closing balance 2015-03-31	46 023 734	-	7 145 105	-497 977	52 670 862
Opening balance 2015-04-01	46 023 734	-	7 145 105	-497 977	52 670 862
New share issue registered	-	-	-	-	-
New share issue	-	870 663	-	-	870 663
Total comprehensive profit for the year	-	-	-2 612 376	-79 080	-2 691 456
Closing balance 2016-03-31	46 023 734	870 663	4 532 729	577 057	50 850 069

Consolidated cash flow statement

<i>Amount in Euro</i>	<i>2015 04 01 2016 03 31</i>	<i>2014 04 01 2015 03 31</i>
Operating activities		
Net profit/loss	-79 080	-75 806
Adjustment for items not affecting cash flow	-	-
Cash flow from operating activities before Changes in operating capital	-79 080	-75 806
<i>Cash flow from changes in operating capital</i>		
Increase(-)/Decrease(+) of operating receivables	-729 535	-2 338 894
Increase(+)/Decrease(-) of operating liabilities	725 283	2 323 629
Cash flow from operating activities	-83 332	-91 071
Investment activities		
Acquisition of other securities held as fixed assets	-806 805	-4 726 608
Participation in associated companies	-	-16 854
Cash flow from investment activities	-806 805	-4 743 462
Financing activities		
New share issue	870 663	4 845 752
Cash flow from financing activities	870 663	4 845 752
Cash flow for the year	-19 474	11 219
Cash and cash equivalents at the beginning of the year	22 743	67 762
Translation differences on foreign operations for the year	15 651	-56 238
Cash and cash equivalents at the end of the year	18 920	22 743

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Annual report 2015 04 01 – 2016 03 31**Parent company's income statement**

<i>Amounts in Euro</i>	<i>Note</i>	<i>2015 04 01 2016 03 31</i>	<i>2014 04 01 2015 03 31</i>
Net sales		-	-
Total operating income		-	-
Operating expenses			
Other external expenses	3,4	-28 174	-17 268
Personnel expenses	5	-	-
Operating profit/loss		-28 174	-17 268
Financial items			
Profit/loss from participation in joint operations	6	-	3 399 226
Result from participation in associated companies		-3 672	-2 129
Interest income and similar items		-	-
Interest expenses and similar items	7	-5 804	-13 659
Net financial items		-9 476	3 383 438
Net profit/loss for the year		-37 650	3 366 170

Parent company's balance sheet

<i>Amounts in Euro</i>	<i>Note</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
ASSETS			
Fixed assets			
Financial fixed assets			
Participation in associated companies	10	17 094	17 094
Participation in joint operations	9	46 607 110	45 761 976
Total financial fixed assets		<u>46 624 204</u>	<u>45 779 070</u>
Total fixed assets		46 624 204	45 779 070
Current assets			
Receivables, related parties	14	-	-
Cash and cash equivalents		5 850	13 772
Total current assets		<u>5 850</u>	<u>13 772</u>
TOTAL ASSETS		46 630 054	45 792 842

Parent company's balance sheet

<i>Amounts in Euro</i>	<i>Note</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
EQUITY AND LIABILITIES			
Equity	12		
<i>Restricted equity</i>			
Share capital		46 023 734	46 023 734
Issued share capital under registration		870 663	-
<i>Non-restricted equity</i>			
Profit/loss carried forward		-255 305	-3 621 475
Net/profit for the year		-37 650	3 366 170
Total equity		46 601 442	45 768 429
Current liabilities			
Liabilities to related parties	14	11 530	10 948
Accounts payable		5 682	2 065
Accrued expenses and prepaid income	13	11 400	11 400
		28 612	24 413
TOTAL EQUITY AND LIABILITIES		46 630 054	45 792 842

Parent company's pledged assets and contingent liabilities

<i>Amount in Euro</i>	<i>Note</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
Pledged assets		None	None
Contingent liabilities		None	None

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Annual report 2015 04 01 – 2016 03 31**Parent company's changes in equity**

	Share capital	Issued Share capital under registration	Retained earnings and profit for the year	Total equity
Opening balance 2014-04-01	37 324 130	3 853 852	-3 621 475	37 556 507
New share issue registered	3 853 852	-3 853 852	-	-
New share issue	4 845 752	-	-	4 845 752
New profit for the year	-	-	3 366 170	3 366 170
Closing balance 2015-03-31	46 023 734	-	-255 305	45 768 429
Opening balance 2015-04-01	46 023 734	-	-255 305	45 768 429
New share issue registered	-	870 663	-	870 663
New share issue	-	-	-	-
New profit for the year	-	-	-37 650	-37 650
Closing balance 2016-03-31	46 023 734	870 663	292 955	46 601 442

Parent company's cash flow statement

<i>Amounts in Euro</i>	<i>2015 04 01 2016 03 31</i>	<i>2014 04 01 2015 03 31</i>
Operating activities		
Net profit/loss	-37 650	3 366 170
Adjustment for items not affecting cash flow		
- Write-down of participation in joint operations	-	-3 399 226
Cash flow from operating activities before changes in operating capital	-37 650	- 33 056
<i>Cash flow from changes in operating capital</i>		
Increase(-)/Decrease(+) of operating receivables	-	-
Increase(+)/Decrease(-) of operating liabilities	4 198	8 451
Cash flow from operating activities	-33 451	-24 605
Investment activities		
Participation in associated companies	-	-16 854
Acquisition of other securities held as fixed assets	-845 133	-4 850 747
Cash flow from investment activities	-845 133	-4 867 602
Financing activities		
New share issue	870 663	4 845 752
Cash flow from financing activities	870 663	4 845 752
Cash flow for the year	-7 921	-46 455
Cash and cash equivalents at the beginning of the year	13 772	60 227
Cash and cash equivalents at the end of the year	5 850	13 772

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Notes and accounting principles

Amount in Euro unless other stated

NOTE 1 Significant accounting principle

General

Oil India Sweden AB, corporate identity number 556794-0530 is a Swedish private limited company registered in Stockholm, Sweden. The Company's address is c/o TMF Sweden AB, Sergels Torg 12, 6tr, SE-111 57, Stockholm.

The principal activities of the company, which was incorporated on the 20th November 2009, are to conduct owning of shares in other companies, perform administrative tasks and associate activities.

The consolidated accounts for the financial year 2015-04-01 – 2016-03-31 comprise of the Parent company, the participation in Indoil Netherlands B.V. a joint operations owned and run in partnership with IOC 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

Joint arrangements

For accounting purposes, joint operations whereby the parties that have joint control of the operations 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.

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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 diverge 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 a 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.

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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 operations

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.

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Annual report 2015 04 01 – 2016 03 31**Note 2 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 (Oil India Sweden AB) and the joint operation (Indoil Netherlands) including reports from the joint arrangement involved in Project Carabobo in Venezuela.

<i>2014-04-01 – 2015-03-31</i>	<i>Oil India Sweden</i>	<i>Indoil Netherlands</i>	<i>Other</i>	<i>Total</i>
Net sales	-	2 241 654	-	2 241 654
Operating profit/loss	-17 268	-40 904	-	-58 172
Profit/loss before tax	3 366 170	-42 748	-3 399 226	-75 806
Net profit for the year	3 366 170	-42 748	-3 399 226	-75 806
Assets	45 792 842	55 014 075	-	100 806 917
Whereof intra-group assets	-45 761 976	-	-	-45 761 976
Assets excluding intra-group assets	30 866	55 014 075	-	55 044 941
Liabilities	24 413	2 349 666	-	2 374 079
Whereof intra-group liabilities	-	-	-	-
Liabilities excluding intra-group liabilities	13 465	2 349 666	-	2 374 079
<i>2015-04-01 – 2016-03-31</i>	<i>Oil India Sweden</i>	<i>Indoil Netherlands</i>	<i>Other</i>	<i>Total</i>
Net sales	-	335 681	-	335 681
Operating profit/loss	-28 174	-40 901	-	-69 075
Profit/loss before tax	-37 650	-41 430	-	-79 080
Net profit for the year	-37 650	-41 430	-	-79 080
Assets	46 630 054	51 602 857	-	98 232 911
Whereof intra-group assets	-46 607 109	-	-	-46 607 109
Assets excluding intra-group assets	22 945	51 602 857	-	51 625 802
Liabilities	28 612	747 121	-	775 733
Whereof intra-group liabilities	-	-	-	-
Liabilities excluding intra-group liabilities	28 612	747 121	-	775 733

Note 3 Other external expenses

	<i>Group 2015-04-01 2016-03-31</i>	<i>Group 2014-04-01 2015-03-31</i>	<i>Parent company 2015-04-01 2016-03-31</i>	<i>Parent company 2014-04-01 2015-03-31</i>
Administrative expenses	39 853	45 456	9 215	11 267
Audit fees	24 405	8 937	6 326	2 235
Other expenses	340 498	2 245 434	12 633	3 766
	404 756	2 299 827	28 174	17 268

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Annual report 2015 04 01 – 2016 03 31**Note 4 Remuneration to auditors**

	<i>Group</i> 2015-04-01 2016-03-31	<i>Group</i> 2014-04-01 2015-03-31	<i>Parent company</i> 2015-04-01 2016-03-31	<i>Parent company</i> 2014-04-01 2015-03-31
Audit assignment, Ernst & Young	6 326	2 235	6 326	2 235
Audit assignment, KPMG	18 079	6 702	-	-
Audit assignment, PriceWaterhouse Coopers	-	-	-	-
	24 405	8 937	6 326	2 235

Note 5 Personnel

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

The board of directors	<i>2015 04 01</i>	<i>whereof</i>	<i>2014 04 01</i>	<i>whereof</i>
<i>Number of persons in the board</i>	<i>2016 03 31</i>	<i>women</i>	<i>2015 03 31</i>	<i>women</i>
Parent company				
Directors	4	2	4	2
The group				
Directors	8	2	8	2

Note 6 Profit/loss from participation in joint operation

	<i>2015 04 01</i> <i>2016 03 31</i>	<i>2014 04 01</i> <i>2015 03 31</i>
Reversal of write-down in joint operation	-	3 399 226
Write-down of participation in joint operation	-	-
	-	3 399 226

Note 7 Financial expenses

	<i>Group</i> 2015-04-01 2016-03-31	<i>Group</i> 2014-04-01 2015-03-31	<i>Parent company</i> 2015-04-01 2016-03-31	<i>Parent company</i> 2014-04-01 2015-03-31
Exchange rate losses on financial assets and liabilities	5 325	14 482	5 303	13 151
Other financial expenses	1 008	1 022	501	508
	6 333	15 504	5 804	13 659

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Note 8 Other securities held as fixed assets

	2016 03 31	2015 03 31
<i>Group</i>		
Opening balance	52 663 547	37 512 542
Investment	806 805	4 726 608
Exchange rate adjustment	-2 595 669	10 424 397
Closing balance	50 874 683	52 663 547
Net value at the end of the period	50 874 683	52 663 547

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 the Company contributed an additional amount of USD 57,521 in total (USD 28,760.50 for Oil India Sweden AB). Amounts are reported as investment in a consolidated statement of financial positions.

Note 9 Participation in joint operation

	2016 03 31	2015 03 31
<i>Parent company</i>		
Opening balance	45 761 976	37 512 002
Investment	845 134	4 850 747
Reversal of write-down	-	3 399 227
Closing balance	46 607 110	45 761 976
Net value at the end of the period	46 607 110	45 761 976

Specification of the Parent company's participation in joint operation

<i>Subsidiaries</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2015-2016 Profit/loss for the year</i>	<i>2016-03-31 Total equity</i>	<i>2016-03-31 Net value</i>
Indoil Netherlands B.V., Netherlands Registered address: Amsterdam	34 313 115	50%	-83 862	101 711 471	
Whereof belongs to Oil India Sweden's part			-41 431	50 855 736	46 606 710

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Annual report 2015 04 01 – 2016 03 31**Note 10 Investments in associates**

	2016 03 31	2015 03 31
<i>Mother company</i>		
Incoming balance	17 094	240
Investments – contribution during year	-	16 854
Closing balance	17 094	17 094
Net amount at the end of the period	17 094	17 094

Specification of Parent Company's holdings in associated companies

<i>Associated companies</i>	<i>Corporate identity no</i>	<i>Participation in %</i>	<i>2015-2016 Profit/loss for the year</i>	<i>2016-03-31 Total equity</i>	<i>2016-03-31 Net value</i>
Oil India Cyprus Ltd, Säte: Nicosia, Cypem Registered address: Amsterdam Whereof belongs to Oil India Sweden's part	HE295721	24%	-15 301	-2 797	17 094
			-3 672	-671	

Note 11 Prepaid expenses and accrued income

	2016 03 31	2015 03 31
<i>Group</i>		
Other prepaid expenses	3 238	3 218
	3 238	3 218

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Annual report 2015 04 01 – 2016 03 31**Note 12 Equity**

<i>Date</i>		<i>Number of shares</i>		<i>Share capital</i>
2009-11-20	Incorporation	1 000	SEK	100 000
2010-07-07	New share issue	1 373 650	SEK	137 365 000
	Total March 31, 2011	1 374 650	SEK	137 465 000
2011-04-01	Recalculation of share capital to Euro due to change of accounting currency		Euro	15 388 619,60
2012-03-27	New share issue (registered 2012-04-10)	1 342 286	Euro	15 026 220,63
	Total March 31, 2012	2 716 936		30 414 840,23
2013-03-28	New share issue (registered 2013-04-24)	617 204	Euro	6 909 290,18
	Total March 31, 2013	3 334 140		37 324 130,41
2014-03-28	New share issue (registered 2014-04-22)	344 263	Euro	3 853 852,15
	Total March 31, 2014	3 678 403		41 177 982,56
2015-03-20	New share issue (registered 2015-03-20)	432 869	Euro	4 845 752,02
	Total March 31, 2015	4 111 272		46 023 734,58
2016-03-31	New share issue (registered 2016-04-21)	77 776	Euro	870 663,43
	Total March 31, 2016	4 189 048		46 894 398,02

<i>Average number of shares financial year 2015-04-01 – 2016-03-31</i>	4 102 418
<i>Average number of shares financial year 2014-04-01 – 2015-03-31</i>	3 692 634
<i>Average number of shares financial year 2013-04-01 – 2014-03-31</i>	3 336 970
<i>Average number of shares financial year 2012-04-01 – 2013-03-31</i>	2 722 009
<i>Average number of shares financial year 2011-04-01 – 2012-03-31</i>	1 389 360

Note 13 Accrued expenses and prepaid income

	<i>Group</i>	<i>Group</i>	<i>Parent</i>	<i>Parent</i>
	<i>2016-03-31</i>	<i>2015-03-31</i>	<i>company</i>	<i>company</i>
			<i>2016-03-31</i>	<i>2015-03-31</i>
Accrued audit fees	15 469	12 346	6 000	6 000
Accrued accounting fees	11 945	5 997	3 000	3 000
Other accrued expenses	3 907	4 365	2 400	2 400
	31 321	22 708	11 400	11 400

Note 14 Transactions with related parties

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

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

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No purchases or sales have been made within the group.

Transactions with related parties

<i>Parent company</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
Receivables from Oil India Cyprus Ltd	-	-
Liabilities to related parties – Oil India Cyprus Ltd	11 530	10 948

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 2015 till 31 March 2016.

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 1,093,182 for the year under review. During the year under review Indoil Netherlands B.V. was not able to fulfill some of the stipulated positions considering requirements of knowledge of local language and procedures. Due to non-supply of enough manpower, Carabobo Ingenieria y Construcciones, S.A. has demanded cost for non-supply of manpower amounting to USD 369,518. Since, the requisite number of manpower were not provided by IOC/Oil India Ltd., the amount is recovered from IOC/Oil India Ltd respectively.

<i>Group</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
Receivable from Carabobo Ingenieria y Construcciones, S.A.	728 961	2 338 338
Liabilities to foreign group company	-727 200	-2 338 358

<i>Group</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
Secondment income	335 681	2 241 654
Secondment expenses	-420 532	-2 241 654

Note 15 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,

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which are booked in the currency translation reserve. The following exchange rate has been applied as at 31 March 2016: USD 1 = EUR 0.88245 (31 March 2015: EUR 0.92945).

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

<i>Group</i>	<i>2016 03 31</i>	<i>2015 03 31</i>
Translation differences on foreign operations for the year	-2 612 376	10 339 409

Note 16 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 SEK. The consolidated equity is also affected by exchange rate exposure when the net assets in the joint operation are translated into SEK.

Oil India 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 Oil India 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 Oil India Limited.

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

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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

Rupshikha Saikia Borah
Chairperson

Varunoday Sharma

Michael Seligman

Anna Zowal

My audit report was issued on

Stefan Andersson Berglund
Authorized public accountant