

Auditor's report to the group Auditor on the audit of financial information for group audit purposes

Name of component: Carabobo one AB

Year-end: 31 March 2017

Currency: US Dollar (US\$)

To: Audit partner in charge of the group audit of ONGC Videsh Ltd., India

This conclusion should be read in conjunction with the Final Summary Memorandum (FSM) dated 19 May 2017, which describes the results of our audit procedures and the completed SA-600 Questionnaire.

As requested in your instructions ("SA-600 Questionnaire") received on 9 February 2017, we have audited, for the purpose of your audit of the group financial statements of ONGC Videsh Ltd., the accompanying reporting package of Carabobo one AB, Stockholm for the period from 1 April 2016 to 31 March 2017 prepared for ONGC Videsh Ltd. group consolidation purposes only and as initialled by us for identification purposes. The scope of our audit was restricted as explained in the paragraph Auditor's responsibility.

Management's responsibility

Management is responsible for the preparation and presentation of the reporting package prepared for group consolidation purposes in accordance with the policies and instructions contained in the group accounting manual issued by ONGC Videsh Ltd.'s management and the disclosure and presentation requirements of ONGC Videsh Ltd. as presented in the reporting package. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the reporting package that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The reporting package has been prepared for the sole purpose of consolidation into the ONGC Videsh Ltd. group financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the reporting package based on our audit. We used the audit materiality also considered appropriate for our statutory audit to express an opinion on the financial statements of Carabobo one AB, which can be different from the materiality level you deem appropriate for the purpose of the ONGC Videsh Ltd. group financial statements. As a consequence, the scope of the audit for consolidation purposes can differ from the materiality levels you would expect us to use. Except for this restriction, we conducted our audit in accordance with the International Standards on Auditing and your instructions ("SA-600 Questionnaire") dated 9 February 2017. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the reporting package is free from material misstatement and to obtain audit evidence about the amounts and disclosures in the reporting package.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the reporting package, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the reporting package 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the reporting package.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The conclusions reached in forming our opinion are based on the materiality considered appropriate for our statutory audit to express an opinion on the financial statements of Carabobo one AB alone.

Basis for qualified opinion

The matters as described in section 2.3 of the FSM for which the group auditor is responsible, are the basis for the qualified opinion. These matters relate to:

- Impairment analysis on assets (including deferred tax assets); and
- Assessment of the process of determining the reserves and the independence/expertise of the Reserve Estimation Committee ("REC") regarding Oil and gas reserves.

Qualified opinion

Except for the effects of the matters referred to above that are your responsibility, in our opinion, the reporting package for the period from 1 April 2016 to 31 March 2017 prepared for group consolidation purposes, has been prepared in all material respects, in accordance with the policies and instructions contained in the group accounting manual issued by ONGC Videsh Ltd.

Basis of accounting and restriction on distribution and use

The reporting package is prepared for purposes of providing information to ONGC Videsh Ltd. to enable it to prepare the consolidated financial statements of the group. As a result, the reporting package is not a complete set of financial statements of Carabobo one AB in accordance with the policies and instructions contained in the group accounting manual issued by ONGC Videsh Ltd. and is not intended to present fairly, in all material respects, the financial position of ONGC Nile Ganga B.V. as of 31 March 2017 and of its result and its cash flows for the year then ended in accordance with the policies and instructions contained in the group accounting manual issued by ONGC Videsh Ltd. The reporting package may, therefore, not be suitable for another purpose.

This report is intended solely for your information and use in conjunction with the audit of the group financial statements of ONGC Videsh Ltd. and should not be used by anyone for any other purpose. If you have any questions on the contents of the FSM or this conclusion, please contact me.

Amsterdam, 19 May 2017

Ernst & Young Accountants LLP



M. Abdellati

CARABOBO ONE A.B. (CONSOLIDATED)
Balance Sheet
(Amount in USD, unless otherwise stated)

Particulars		Notes No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A.	ASSETS				
1	Non-current assets				
	(a) Oil and gas assets	3	101 077 009	104 325 581	107 551 352
	(b) Other property, plant and equipment	4			
	(c) Capital work in progress				
	(i) Oil and gas assets	5			
	(ii) Others	5			
	(d) Intangible assets	6			
	(e) Intangible assets under development				
	(i) Exploration wells in progress	7			
	(ii) Others	2			
	(f) Financial Assets				
	(i) Investments	8	8 943 495	4 184	36 901 107
	(ii) Trade receivables				
	(iii) Loans	9			
	(iv) Finance lease receivables	10			
	(v) Other financial assets	11			
	(vi) Other non-current assets	12			
	Total non-current assets		110 020 784	104 319 765	144 452 659
2	Current assets				
	(a) Inventories	13			
	(b) Financial assets				
	(i) Investments	14			
	(ii) Trade receivables	15			
	(iii) Cash and cash equivalents	16	137 512	169 119	-403 760
	(iv) Bank balances other than (iii) above	17			
	(v) Loans	18			
	(vi) Finance lease receivables	19			
	(vii) Other financial assets	19	73 144 984	72 339 380	72 110 871
	(c) Current Tax assets (Net)	20			
	(d) Other current assets	21	32 000	29 178	29 132
	Total current assets		73 314 496	72 567 678	72 543 763
	Total Assets (1+2)		183 335 280	176 887 443	216 996 423
B.	Equity and Liabilities				
1	Equity				
	(a) Equin Share capital	22	4 518 000	4 817 165	4 553 354
	(b) Other equity	23	172 718 168	166 565 583	203 709 308
	Total equity		177 236 168	171 382 749	208 262 662
	Liabilities				
2	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	25	2 138	2 277	2 152
	(ii) Trade payables				
	(iii) Other financial liabilities	26			
	(b) Provisions	27			
	(c) Deferred tax liabilities (Net)	28			
	(d) Other non-current liabilities	29			
	Total non-current liabilities		2 138	2 277	2 152
3	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings				
	(ii) Trade payables	30	9 000	53 596	62 552
	(iii) Other financial liabilities	31	6 017 665	5 439 296	8 659 518
	(b) Other current liabilities	32	70 228	9 525	9 538
	(c) Provisions	33			
	Total current liabilities		6 096 893	5 592 418	8 731 608
	Total liabilities (2+3)		6 099 031	5 594 695	8 733 760
	Total equity and liabilities (1+2+3)		183 335 280	176 887 443	216 996 423

The accompanying notes are an integral part of these financial statements

1 to 33

This is the Balance Sheet referred to in our report of even date

For [Auditors]

For and on behalf of the Board of Directors


Richard Chind
Director

Partner

Place
Date



CARABOBO ONE A.B. (CONSOLIDATED)
Statement of Profit and Loss for the year ended March 31, 2017
(Amount in USD, unless otherwise stated)

Particulars		Note no.	Year ended March 31, 2017	Year ended March 31, 2016
			Audited	Audited
I	Revenue From Operations	34	1,246,025	688,225
II	Other Income	35	917	4,457
XII	Total Income (I+II)		1,246,942	692,682
IV	EXPENSES			
	Changes in inventories of finished goods, Stock-in-Trade and work-in progress	36		
	Purchase of Stock-in-Trade	37		
	Production, Transportation, Selling and Distribution expenditure	38	1,038,102	1,309,583
	Employee benefit expense	39		
	Exploration Costs written off	40		
	Survey Costs			
	Exploratory Well Costs			
	Depreciation and amortization expense	41	3,248,572	3,225,970
	Finance costs	42	974	1,591
	Decreases/ increase due to overlift / underlift quantity			
	Other expenses	43	75,894	45,200
	Total expenses (IV)		4,313,542	4,602,344
V	Profit/(loss) before exceptional items and tax (I-IV)		(3,066,604)	(3,909,667)
VI	Exceptional Items			
	Share of profit of equity accounted investees, net of tax		8,939,511	(36,896,923)
VII	Profit/(loss) before tax (V-VI)		5,872,907	(40,806,590)
VIII	Tax expense:			
	(1) Current tax		41,594	-
	(2) Deferred tax		-4	35,987
	(3) Earlier years		41,690	39,892
IX	Profit/(loss) for the period from continuing operations (VII-VIII)		5,831,317	(40,841,673)
X	Profit/(loss) from discontinued operations before tax			
XI	Tax expense of discontinued operations			
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)			
XIII	Profit/(loss) for the period (IX+XII)		5,831,317	(40,841,673)
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Changes in revaluation surplus			
	(b) Remeasurements of the defined benefit liabilities / (asset) (net of tax)			
	(c) Equity instruments through other comprehensive income			
	(d) Fair value changes relating to own credit risk			
	(e) Others (specify nature)			
	A (ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that may be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		3,343,610	(3,018,116)
	(b) Debt instruments through other comprehensive income			
	(c) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge			
	(d) Share of other comprehensive income of equity accounted investees			
	(e) Others (specify nature)			
	B (ii) Income tax relating to items that may be reclassified to profit or loss			
	Total other comprehensive income			
XV	Total Comprehensive Income for the period (XIII+XIV)		5,831,317	(40,841,673)
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic			
	(2) Diluted			
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic			
	(2) Diluted			
XVIII	Earnings per equity share (for discontinued and continuing operations):			
	(1) Basic			
	(2) Diluted			

Carabobo One AB
Notes to profit and loss
Consolidated
(Amount in USD, unless otherwise stated)

Note no. 34 Revenue From Operations

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
A. Sale of products		
Own Products		
Less: Transfer to Exploratory Wells in Progress		
Less: Government of India's (GoI's) share in Profit Petroleum		
Traded Products		
B. Sale of services	1,246,025	688,225
C. Other operating Revenue		
Contractual Short Lifted Gas Receipts		
Pipeline Transportation Receipts		
North-East Gas Subsidy		
Surplus from Gas Pool Account		
Production Bonus		
Sale of Electricity		
Processing Charges		
Total	1,246,025	688,225

Note no. 35 Other Income

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
a) Interest income		
Interest on:		
Long Term Investments		
Deposits with Banks/PSUs	912	4,452
Loans and Advances to Subsidiaries/Associates		
Loans and Advances to Employees		
Income Tax Refund		
Site Restoration Fund Deposit		
Delayed Payment from Customers and Others		
Financial assets measured as amortised cost		
Employee loan measured as per EIR		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank Deposits (at amortised cost)		
Investments in debt instruments measured at FVTOCI		
Other financial assets carried at amortised cost		
b) Dividend income		
Dividend Income from:		
Investment in Associates		
Other Long Term Investments		
Short Term -Debt Mutual Funds		
Equity investments		
c) Other Non Operating Income		
Excess Provisions written back		



Liabilities no longer required written back		
Exchange Gain (Net)		
Contractual Receipts		
Profit on sale of securities		
Profit on sale of Non Current Asset		
Amortisation of financial guarantee obligation		
Fair valuation of financial assets		
Fair valuation of financial liabilities		
Rental income:		
Finance lease contingent rental income		
Operating lease rental income:		
Investment property		
Royalties		
Other (aggregate of immaterial items)		
Miscellaneous Receipts		
d) Other gains and losses		
Gain / loss on disposal of property, plant and equipment		
Gain / loss on disposal of debt instruments at FVTOCI		
Cumulative gain/ (loss) reclassified from equity on disposal of debt instruments at FVTOCI		
Net foreign exchange gains/(losses)		
Gain arising on effective settlement of legal claim		
Net gain/(loss) arising on financial assets designated as at FVTPL		
Net gain/(loss) arising on financial liabilities designated as at FVTPL		
Net gain/(loss) arising on financial liabilities mandatorily measured at FVTPL		
Net gain/(loss) arising on held for trading financial liabilities		
Hedge effectiveness on cash flow hedges		
Hedge effectiveness on net investment hedges		
Gain recognised on disposal of interest in former associate		
Net gain/(loss) on derecognition of financial assets measured at amortised cost		
Total	912	4,452

Note no. 36 Changes in inventories of finished goods, Stock-in-Trade and work-in progress

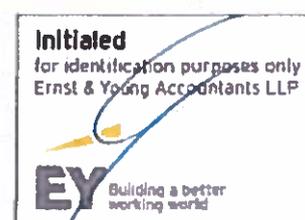
Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Closing Stock- Finished Goods and Stock in Trade		
Opening Stock- Finished Goods and Stock in Trade		
Total		

Note no. 37 Purchase of stock in trade

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
High speed diesel		
Motor Spirit		
Others		
Total		

Note no. 38 Production, Transportation, Selling and Distribution Expenditure

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Royalty		
Cess		
Motor Spirit Cess		



Natural Calamity Contingent Duty		
Excise Duty		
Sales Tax		
Service Tax		
Education cess		
Octroi and Port Trust Charges		
Staff Expenditure		
Workover Operations		
Water Injection, Desalting and Demulsification		
Consumption of Stores and Spares		
Consumption of Raw Materials		
Pollution Control		
Transport Expenses		
Insurance		
Power and Fuel		
Leasehold rent		
Repairs and Maintenance		
Contractual payments including Hire charges etc	965,282	1,061,758
Other Production Expenditure		
Transportation and Freight of Products		
Research and Development		
General Administrative Expenses		
CSR expenditure		
Exchange Loss (Net)		
Other Expenditure	72,820	247,826
Fair value loss on financial assets		
Fair value loss on financial liability		
Fair value loss on Employee loan		
Total	1,038,102	1,309,583

Note no. 39 Employee benefit expense

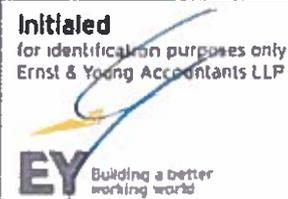
Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Salaries, Bonus and other allowances		
Contribution to Provident and Other Funds		
Staff Welfare Expenses		
Total	-	-

Note no. 40 Exploration costs written off

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Survey costs		
Exploration well costs		
Total		

Note no. 41 Depreciation, Depletion, Amortisation and Impairment

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Depletion	3,248,572	3,225,970
Depreciation & Amortisation		
Less: Allocated to exploratory drilling		
Less: Allocated to development drilling		
Less: Allocated to others		
Total		



Impairment Loss		
Provided during the year		
Less: Reversed during the year		
Depreciation of investment property		
Amortisation of intangible assets		
Total depreciation and amortisation pertaining to continuing operations	3,248,572	3,225,970
Depreciation of property, plant and equipment pertaining to discontinued operations		
Total	3,248,572	3,225,970

Note no. 42 Finance costs

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Continuing operations		
a) Interest costs:-		
Interest on bank overdrafts and loans (other than those from related parties)		
Interest on loans from related parties		
Interest on obligations under finance leases		
Interest on convertible notes		
Interest on perpetual notes		
Interest on interest free government loans		
Other interest expense		
Total interest expense for financial liabilities not classified as at FVTPL		
Less: amounts included in the cost of qualifying assets		
b) Dividend on redeemable preference shares		
c) Exchange differences regarded as an adjustment to borrowing costs		
d) Other borrowing costs -		
Loss/(gain) arising on derivatives designated as hedging instruments in fair value hedges		
(Gain)/loss arising on adjustment for hedged item attributable to the hedged risk in a designated fair value hedge accounting relationship		
(Gain)/loss arising on designated portion of hedging instruments in cash flow hedges of floating rate debt reclassified from equity to profit or loss		
Unwinding of discounts on provisions		
Unwinding of discounts on costs to sell non-current assets classified as held for sale		
On short term loan		
On cash credit		
Unwinding of finance lease obligation		
Unwinding of decommissioning liability		
Unwinding of financial liability		
Others	974	1,591
Total	974	1,591

Note no. 43 Other expenses

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016

Power, Fuel and water charges		
Fees & Subscription		
Office Repair & Maintenance		
Rent		
Communication Expenses		
Travel & Conveyance		
Vehicle Hire Charges		
Legal & Professional Expenses		
Security Expenses		
Training & Recruitment Expenses		
Director Sitting Fees		
Audit Fees	-	36,063
Stamp & Registration Charges		
Loss on sale of Fixed Assets		
CSR Activities		
Exchange rate fluctuation (gain)/loss	(15,106)	12,082
Miscellaneous Expenses	41,000	17,055
Total	25,894	65,200

Provisions and write offs

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Provisions		
For doubtful debts		
For doubtful claims/advances		
For non-moving inventories		
For others		
Write offs		
Disposal/Condemnation of fixed assets		
Less: Provision written back		
Inventory		
Bad debts		
Claims/advances		
Less: Provision		
Total		

Adjustments relating to prior period

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
A. Expenditure		
Statutory levies		
Other production, selling & distribution expenditure		
Excess abandonment provision written back		
Survey		
Exploratory wells written off		
Depletion		
Depreciation		

B. Income		
Sales		
Interest - others		
Other income		
Total		

Tax Expense

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Current tax	41,594	
Earlier Year	(4)	35,082
Mat Credit Entitlement		
Deferred tax		
Total	41,590	35,082

Reserve for equity instruments through other comprehensive income

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Balance at beginning of year		
Net fair value gain on investments in equity instruments at FVTOCI		
Income tax on net fair value gain on investments in equity instruments at FVTOCI		
Balance at the end of year		

Exceptional item

Particulars	For the Year ended March 31, 2017	For the year ended March 31, 2016
Exceptional item		
Total		

CARABORO ONE A.B. (CONSOLIDATED)
 Statement of changes in equity
 As at March 31, 2017
 (Amounts in USD, unless otherwise stated)

Particulars	Note No.	Retained and surplus					Items of other comprehensive income			Total	
		Share capital	Capital Reserve	Debiture Redemption Reserve	General reserve	Foreign Currency Monetary Item Translation Difference Account	Securities Premium	Retained earnings	Re-measurement of the net defined benefit plans		Foreign Currency Translation reserve
Balance at April 1, 2015 (as previously reported)		4,553,354	-	-	-	-	30,634,918	-	14,403,493	-	209,262,642
Adjustment of net AS Transitive Change in accounting policy/first period entry		-	-	-	-	-	-	-	-	-	-
Balance at April 1, 2015		4,553,354	-	-	-	-	30,634,918	-	14,403,493	-	209,262,642
Revelation of share capital		263,811	-	-	-	-	-	-	-	-	263,811
Securities premium for the year		-	-	-	-	6,707,429	-	-	-	-	6,707,429
Foreign Exchange Translation Reserve Profit for the year		-	-	-	-	-	(40,841,673)	-	(3,009,481)	-	(40,841,673)
Other comprehensive income for the year, net of income tax		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		263,811	-	-	-	6,707,429	(40,841,673)	-	(3,009,481)	-	171,382,749
Payment of dividends (net of corporate dividend tax) Amount transferred to initial amount of locked share		-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2016		4,817,165	-	-	-	-	(10,206,754)	-	11,394,012	-	171,382,749
Revelation of share capital		(299,165)	-	-	-	-	-	-	-	-	-
Securities premium for the year		-	-	-	-	(3,022,342)	-	-	-	-	-
Preference share premium reserve Profit for the year		-	-	-	-	-	5,831,317	-	-	-	5,831,317
Other comprehensive income for the year, net of income tax		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		(299,165)	-	-	-	(3,022,342)	5,831,317	-	-	-	-
Payment of dividends		-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	-
Amounts transferred to initial amount of locked share		-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2017		4,518,000	-	-	-	-	(4,375,437)	-	14,737,572	-	177,216,166

The accompanying notes are an integral part of these financial statements

In issue of our report attached
 For Auditors

For and on behalf of the Board of Directors

Richard Chind
 Director

Printed
 Place
 Date



3. Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2017

(Amount in USD, unless otherwise stated)

	Particulars	Year ended 31.03.2017		
		Previous GAAP	Effect of transition to Ind AS	
I	Revenue From Operations	26,200,884	24,954,859	1,246,025
II	Other Income	7,499	1,587	512
III	Total Income (I+II)	26,208,383	24,956,446	1,246,938
IV	EXPENSES			
	Cost of gas consumed	-	-	-
	Employee benefit expense	385,526	385,526	-
	Finance costs	-	(974)	974
	Generation, Operation & Maintenance Expenses	13,300,562	12,262,459	1,038,102
	Depreciation and amortization expense	5,427,746	2,179,174	3,248,572
	Other expenses	(32,708,720)	(32,724,613)	25,894
	Total expenses (IV)	(13,994,888)	(17,908,428)	4,313,542
	Share of profit/(loss) of equity accounted investees, net of tax	-	(8,939,511)	8,939,511
V	Profit/(loss) before tax (III-IV)	22,798,269	27,928,362	5,872,907
VI	Tax expense:			
	(1) Current tax	41,594	-	41,594
	(2) Deferred tax	32,387,370	32,387,370	-
	(3) Earlier years	(4)	-	(4)
		32,428,999	32,387,370	41,629
VII	Profit/(loss) for the period from continuing operations (V-VI)	7,369,310	1,537,993	5,831,317
VIII	Profit/(loss) from discontinued operations before tax			
IX	Tax expense of discontinued operations			
X	Profit/(loss) from Discontinued operations (after tax) (VIII-IX)			
XI	Profit/(loss) for the period (VII+X)	7,369,310	1,537,993	5,831,317
XII	Other Comprehensive Income			
	A () Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans			
	A (i) Income tax relating to items that will not be reclassified to profit or loss			
	B () Items that may be reclassified to profit or loss			
	B (ii) Income tax relating to items that may be reclassified to profit or loss			
	Total other comprehensive income			
XIII	Total Comprehensive Income for the period (XI+XII)	7,369,310	1,537,993	5,831,317

CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

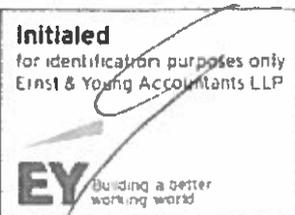
3. Oil and gas assets

Oil and gas assets-Cost

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cost			
Balance at April 1, 2015	110,000,000	110,000,000	110,000,000
Acquisition Cost			
Transfer from Development Wells-in-Progress			
Transfer from Exploratory Wells-in-Progress			
Depreciation on Facilities			
Reclassification of oil and gas facility			
Increase (Decrease) in estimated Abandonment costs			
Other Adjustments			
Balance at March 31, 2016	110,000,000	110,000,000	110,000,000
Acquisition Cost			
Transfer from Development Wells-in-Progress			
Transfer from Exploratory Wells-in-Progress			
Depreciation on Facilities			
Reclassification of oil and gas facility			
Increase (Decrease) in estimated Abandonment costs			
Other Adjustments			
Balance at March 31, 2017	110,000,000	110,000,000	110,000,000

Oil and gas assets-Accumulated Depreciation

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Less: Depletion and impairment			
Depletion			
Balance at April 1, 2016	5,674,419	2,448,448	2,448,448
Depletion for the year		3,225,970	
Other adjustments			
Balance at March 31, 2017	5,674,419	5,674,419	2,448,448
Depletion for the year	3,248,572		
Other adjustments			
Balance at March 31, 2017	8,922,991		
Impairment			
Balance at April 1, 2015			
Impairment losses provided during the year			
Reversals of impairment losses provided			
Balance at March 31, 2016			
Impairment losses provided during the year			
Reversals of impairment losses provided			
Balance at March 31, 2017			
Net Oil and gas assets at March 31, 2015			107,551,552
Net Oil and gas assets at March 31, 2016		104,325,581	
Net Oil and gas assets at March 31, 2017	101,077,009		



CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amounts in USD, unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
B. Non current investments			
Trade investments			
Unquoted investments (all fully paid)			
(a) Investments in Equity Instruments			
(i) Designated at Fair value at amortised cost			
- Wholly owned Subsidiaries (Note no B 1)			
Less : Aggregate amount of impairment in value of investments Provision for diminution of investment			
- Partly owned Subsidiaries (Note no B 1)			
Less : Aggregate amount of impairment in value of investments Provision for diminution of investment			
- Joint Ventures (Note no B 2)	8 942 695	4 184	36 981 107
- Associates (Note no B 3)			
(b) Investments in Preference Shares			
(i) Designated at Fair value at amortised cost			
- Wholly owned Subsidiaries (Note no B 1)			
- Partly owned Subsidiaries (Note no B 1)			
- Joint Ventures (Note no B 2)			
Less : Aggregate amount of impairment in value of investments Provision for diminution of investment			
- Associates (Note no B 3)			
(c) Other investments			
Investments with bank for site restoration			
TOTAL INVESTMENTS	8,942,695	4,184	36,981,107



Note no. 8.1 - Details of investments in subsidiaries:

Name of subsidiary	Principal activity	Type of security	Place of incorporation and operation	Cost of investment in euro	No. of shares	Face value	Proportion of ownership interest and voting power held by the Group		
							As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ONGC Naranda Limited		Equity Shares				1 (INR)	100%		100%
ONGC Amazon Alkantara Limited		Equity Shares				1 (USD)	100%		100%
ONGC Amazon Alkantara Limited		Preference Shares				1 (USD)	100%		100%
Imperial Energy		Equity Shares				1 (USD)	100%		100%
Imperial Energy		Preference Shares				1 (USD)	100%		100%
Carabobo One AB		Equity Shares				11 19457 (EURO)	100%		100%
ONGC (BTC) Limited		Equity Shares				1 (USD)	100%		100%
ONGC Vajesh Reserve Ltd		Equity Shares				1 (USD) [USD 0.30 per share paid up]	100%		100%
ONGC Vajesh Alliance Inc. USA		Equity Shares				1 (USD)	100%		100%
ONGC Nile Ganga B V		Equity Shares Class A				453 78 (EURO)	100%		100%
ONGC Nile Ganga B V		Equity Shares Class B				453 78 (EURO)	100%		100%
ONGC Nile Ganga B V		Equity Shares Class C				1 (EURO)	100%		100%
Beas Reserve Energy/ Mozambique Limited		Equity Shares				1 (USD)	100%		100%
TOTAL									



Note no. 8.2 - Details of investments in joint ventures:

Name of joint venture	Principal activity	Type of security	Place of incorporation and operation	Cost of investment (Amount in USD)	No. of shares	Face value	Cost of investment (Amount in USD)	
							As at March 31, 2017	As at April 1, 2015
FCSA	Equity Shares	Equity Shares		8,919,511			As at March 31, 2016	As at April 1, 2015
				4,184			36,896,293	4,812
CECA				8,943,695			4,184	36,901,107

Note no. 8.3 - Details of investments in associates:

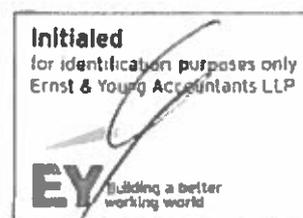
Name of associate	Principal activity	Type of security	Place of incorporation and operation	Cost of investment (Amount in USD)	No. of shares	Face value (Rs. per share)	Proportion of ownership interest and voting power held by the Group	
							As at March 31, 2017	As at April 1, 2015

CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

16. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance with banks in current accounts in deposits	137,512	169,119	403,760
Cash on hand at India at Overseas			
Cash and Bank Balances (in respect of joint ventures)			
TOTAL	137,512	169,119	403,760



CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

19. Other financial assets-Current

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Financial assets at amortized cost			
Interest receivable			
Interest accrued on others (loans to subsidiary)			
Interest accrued on loan to employees			
Advances recoverable in cash or in kind or for value to be received	73,144,984	72,388,558	72,140,003
Amount recoverable from JV			
b) Financial assets carried at fair value through profit or loss (FVTPL)			
TOTAL	73,144,984	72,388,558	72,140,003

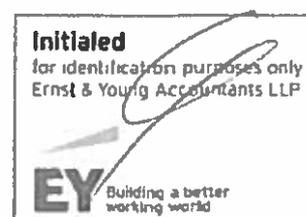
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CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

21. Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured, considered good			
Advances to Employee			
Unsecured, considered good			
Prepaid Insurance			
Prepaid expenses			
Prepaid expenses for underlift quantity			
Advance to supplier			
Prepayments-Leasehold land			
Balances with government authorities			
VAT receivable	4,354	46	
Discount on issue of debentures			
Interest Accrued On			
Others	46		
Advances recoverable in Cash or in kind or for value to be received (in respect of Joint Venture)			
Other Current Assets (Other receivables)	27,600	29,132	29,132
TOTAL	32,000	29,178	29,132



CARABO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

22. Equity Share Capital

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Authorized Capital			
800 000 (Previous year 4 000) Equity Shares of Euro 11 19457 each			
Issued, Subscribed and Paid up			
377 678 (Previous year 377 678) Equity Shares of Euro 11 19457 each fully paid up in cash (CAOB)	4,518,000	4,817,165	4,553,354
Additional capital			
Deemed equity - Capital Contribution	4,518,000	4,817,165	4,553,354

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Reconciliation of the number of shares	As at		As at		As at	
	March 31, 2017	Amount in USD	March 31, 2016	Amount in USD	March 31, 2015	Amount in USD
Balance as at the beginning of the year	377,678	4,518,000	377,678	4,817,165	377,678	4,553,354
Movements (Describe)						
Balance as at the end of the year	377,678	4,518,000	377,678	4,817,165	377,678	4,553,354

(ii) Rights, preferences and restriction attached to shares

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the Meeting.

During the year 2015, the amount of dividend per share declared for distribution to equity shareholders was Nil. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

(iii) Shares held by each shareholder holding more than 5% of the aggregate shares in the Company

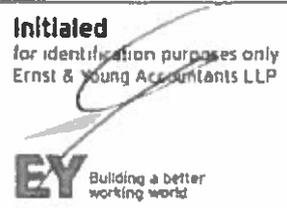
ONGC Videsh Limited, the holding company and its nominees	As at		As at		As at	
	March 31, 2017	Number of Shares (in million)	March 31, 2016	Number of Shares (in million)	April 1, 2015	Number of Shares (in million)
%	100%	0.38	%	100.00%	%	100.00%
		0.38		0.38		0.38



CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD , unless otherwise stated)

23. Other equity

Particulars	Note no.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other reserves	23a	177,093,605	176,772,338	173,074,390
Retained earnings	23b	(4,375,437)	(10,206,754)	30,634,918
Reserves representing unrealised gains/losses	23c			
TOTAL		172,718,168	166,565,583	203,709,308



CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD , unless otherwise stated)

23a. Other Reserves

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital reserve			
Debenture Redemption Reserve			
Others			
Foreign Currency Translation Reserve	14,737,622	11,394,012	14,403,493
Foreign Currency Monetary Item Translation Difference Account			
Preference Share Premium Reserve	111,121,983	114,144,834	107,437,406
Equity Share Premium Reserve	51,234,000	51,233,491	51,233,491
TOTAL	177,093,605	176,772,338	173,074,390

23a.(i) Debenture Redemption Reserve

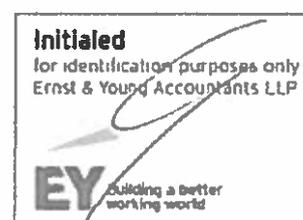
Particulars	As at March 31, 2017	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year			
Add Amount transferred from surplus balance			
Add Deferred tax adjustment			
Balance at end of year			

23 a 1 The Debenture Redemption Reserve position for above is as under

Particulars	April 1, 2015	Addition during the year	March 31, 2016	Addition during the year	March 31, 2017
Total	0	-			-

23a.(ii) Capital Reserve

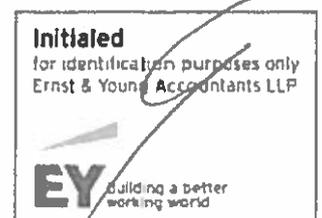
Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year		
Add Amount transferred from surplus balance		
Add Deferred tax adjustment		
Balance at end of year		



23a.(iii) Foreign Currency Monetary Item Translation Difference Account

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of year		
Less Transitional depreciation		
Add Amount transferred from surplus balance		
Add Deferred tax adjustment		
Balance at end of year		

23a (iii) 1 The treatment of Foreign Currency Monetary Item Translation Difference Account is accounted for in line with the Para 46 A of Ind AS-11- reference note no 32.5 (i) (b)



CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

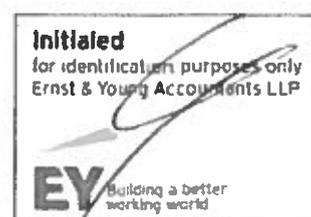
23b. Retained earnings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Opening balance of statement of profit and loss	(10,206,754)	30,634,918	30,634,918
Add Net profit/(Net loss) for the year	5,831,317	(40,841,673)	0
Balance at - Balance at Balance at end of year			
(i) FCTR Reclass			
(ii) Additional Ind AS resmeasurement			
TOTAL	(4,375,437)	(10,206,754)	30,634,918
23.b.(i) General reserve			
Balance at beginning of year			-
Add Amount transferred from surplus balance			
Add Deferred tax adjustment			
Balance at end of year			

CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

25. Long term borrowings

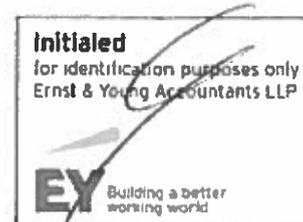
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured- at amortised cost			
Non convertible redeemable debentures			
Preference shares issued to OVL	2,138	2,277	2,152
Term loans			
From banks			
Foreign currency bonds			
From related parties			
From ONGBV			
From MI			
TOTAL	2,138	2,277	2,152



CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

30. Trade and other payables

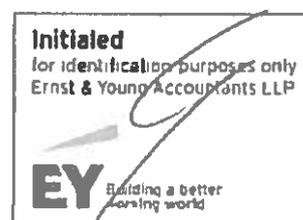
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial liabilities carried at amortized cost			
Trade payables			
for Supplies / Works			
for Supplies / Works (in respect of Joint Venture)	9,000	53,596	62,552
TOTAL	9,000	53,596	62,552



CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

31. Other financial liabilities

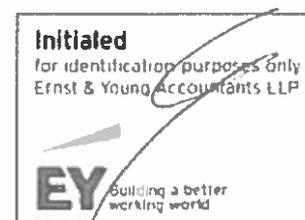
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial liabilities carried at amortized cost			
Current maturities of long-term borrowings			
Non-Recourse Deferred Credit			
Interest accrued but not due on Bonds/ Debentures			
Interest accrued but not due on Term Loans			
Interest accrued but not due on Debentures			
Other deposits			
EMD from Customers			
Payable to Operators			
Payable to ONGC Videsh Limited	6,017,665	5,439,296	8,659,518
Others			
TOTAL	6,017,665	5,439,296	8,659,518



CARABOBO ONE A.B. (CONSOLIDATED)
Notes forming part of the financial statements
(Amount in USD, unless otherwise stated)

32. Other current liabilities

Particulars	As at March 31, 2017	As at April 1, 2015	As at April 1, 2015
Statutory Liabilities	41594	-	-
Advance from Customers			
Deferred Credit on Gas Sales			
Payable to OVL			
Amount Payable to Operators			
Tax Payable by Subsidiaries and JV Companies in foreign Country			
Other Liabilities	28,634	9,525	9,538
TOTAL	70,228	9,525	9,538



CARABOBO ONE A.B. (CONSOLIDATED)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in million of US dollars ("USD in Mn") except as otherwise noted)

1. Operations

Carabobo One AB (the "Company" or "COAB"), corporate identity number 556800-3841 is a Swedish private limited liability company registered in Stockholm, Sweden. The Company was incorporated on 5 February 2010. The Company's address is Kungsgatan 55, 5th Floor, III 22 Stockholm.

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 subsidiary of ONGC Videsh Limited, India ("ONGC Videsh"). The Company holds 90% of all shares in Petro Carabobo Ganga B.V, Netherlands ("PCGBV") with address in Amsterdam.

The Company along with Indian Oil Corporation Limited ("IOCL"), Oil India Limited ("OIL"), Repsol YPF ("Repsol") and Petroliam Nasional Berhad ("Petronas") (collectively, the "Consortium"), was awarded by the Government of the Bolivarian Republic of Venezuela 40% ownership interest in an "Empresa Mixta" (or "Mixed Company") in May 2010 for developing the Carabobo-1 North (203 sq.km.) and Carabobo-1 Central (180 sq.km.) blocks located in the Orinoco Heavy Oil Belt in eastern Venezuela. The Corporación Venezolana del Petróleo ("CVP"), a subsidiary of Petróleos de Venezuela S.A. ("PDVSA"), Venezuela's state oil company, holds the remaining 60% equity interest. In August, 2013, Petronas exited the project and 11% PI of Petronas was taken over by CVP.

As per the PCSA agreement, in January 2011, the minority shareholders have set up another joint venture company Carabobo Ingenieria Y Construccionea S.A. ("CICSA") in Venezuela to construct facilities and provide all services to PCSA. The project offices have been set up in Puerto La Cruz ("PLC"), Venezuela.

PCGBV holds 11% of the shares in Petro Carabobo S.A, Venezuela ("PCSA") and 37.93% of the shares in Carabobo Ingenieria y Construcciones S.A, Venezuela ("CICSA"). Shareholding pattern of both the Companies are as under:

	PCSA		CICSA	
	Shareholding as on 31 March 2017	Shareholding as on 31 March 2016	Shareholding as on 31 March 2017	Shareholding as on 31 March 2016
PCGBV	11%	11%	37.93%	37.93%
Repsol	11%	11%	37.93%	37.93%
CVP	71%	71%	-	-
IOCL	3.5%	3.5%	12.07%	12.07%
OIL	3.5%	3.5%	12.07%	12.07%

The project has estimated Oil in Place of about 27 billion barrels. The Mixed Company would build heavy oil (8-90API) production facilities, upgrade the existing facilities and associated infrastructure for producing and processing the extra-heavy crude oil. The upstream production facilities are expected to produce about 400,000 barrels per day of which approximately 200,000 barrels per day will be upgraded into light crude oil (32° API). The license period is for 25 years with a potential for a further 15 years extension. 13 Stratigraphic wells, 2 observer wells and seventeen slant wells were drilled for collection of samples and study of petrophysical properties for drilling development wells for accelerated production. Sixty Six (66) Development wells have been drilled as on 31st March, 2017 and 65 wells have been put on production. Out of these 65 wells, 61 wells are active and 4 wells are inactive. One (1) new well is under well fluid knocking out process and shall be put on production in next few days.

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CARABOBO ONE A.B. (CONSOLIDATED)

Basic engineering & FEED for upgrader and downstream facilities has been completed. Processing of data was awarded to NEOS Geo Solutions, Houston (Formerly known as ION Geophysical) through Repsol. Full 3D/3C processing has been completed in October 2016 and work on final deliverables and reports is in progress. 3D/3C Seismic data interpretation of P-Component is completed and revision of Static Model version 1.4 is in progress (84% completed as on 31st March 2017, Expected time of completion by May 2017). First oil from Accelerated Early Production has commenced on 27th December 2012. The 30MBD XHO oil treatment plant was awarded to PROTEM (Schlumberger and Y&V) and the plant has been successfully commissioned in June 2016. The 6" x 25 km produced water injection/disposal line and 12" x 25 km MESA#30 diluent line between CPF to COMOR under CORRIDOR CPF-COMOR project successfully completed by M/s CONKOR in October-2016. During the FY 2016-17, Oil production is 0.140 MMT and Gas production is 0.011 BCM with an average daily crude oil production of 21,914 bopd.

2. Reserves:

The year-end reserves of the Company have been estimated by the Reserves Estimation Committee (REC) of the ultimate holding company ONGC which follows international reservoir engineering procedures consistently.

Company's share of Proved Reserves in Carabobo-1, Venezuela project as on 31st March 2017 is as under:

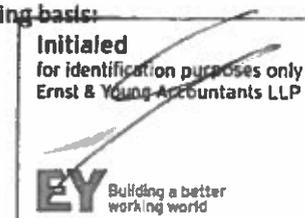
Details	Crude Oil (MMt)	Gas (Bcm)	Total MMToe
Opening	3.622	-	3.622
Addition	0.874	-	0.874
Deduction/Adjustment	-	-	-
Production	0.140	-	0.140
Closing	4.356	-	4.356

Company's share of Proved & Developed Reserves in Carabobo-1, Venezuela project as on 31 March 2017 is as under:

Details	Crude Oil (MMt)	Gas (Bcm)	Total MMToe
Opening	1.1231	-	1.1231
Addition	0.722	-	0.722
Deduction/Adjustment	-	-	-
Production	0.140	-	0.140
Closing	1.813	-	1.813

3. The activity of the group is fully financed by capital injections from ONGC Videsh Limited, India (ONGC Videsh) and ONGC Nile Ganga B.V, Netherlands (a Subsidiary of ONGC Videsh).
4. **Principles of Consolidation**

The ONGC Videsh reporting package (ORP) relate to the Company (Carabobo One AB), its subsidiary Petro Carabobo Ganga BV and joint venture companies of its subsidiary Petro Carabobo S.A and Carabobo Ingenieria y Construcciones S.A. The ORP has been prepared on the following basis:



CARABOBO ONE A.B. (CONSOLIDATED)

- a) **New Accounting Policy ("Ind AS")** as circulated by parent company (ONGC Videsh) with effect from 1st April 2016. These are the Company's first Ind AS Consolidated Financial Statements. The date of transition to Ind AS is 1st April 2015.

Previous period figures in the Financial Statements have been restated in compliance to Ind AS.

Up to the year ended 31st March 2016, the Company had prepared the Consolidated Financial Statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles ('Previous GAAP') applicable in India, applying the Guidance Note on Accounting for Oil and Gas Producing Activities (Revised 2013) issued by the Institute of Chartered Accountants of India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

- b) The financial statements of the Company and its subsidiary Petro Carabobo Ganga B.V. have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions taking into account unrealized profits or losses.
- c) The financial statements of joint venture companies have been combined by applying the equity method of accounting on the results.
- d) The ORP is prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the like manner as the Company's separate financial statements prepared for consolidation purposes.
- e) The difference between the costs of investments in the Subsidiaries/Joint Ventures, over the net assets at the time of acquisition of shares in the subsidiary/joint venture is recognized in the financial statements as goodwill or capital reserve as the case may be. The goodwill of Joint Ventures is included in the investments of Joint Ventures.
- f) The financial statements of the subsidiaries/joint ventures in currencies other than USD have been incorporated in the ORP following the principles for translation of the financial statements of Non-Integral Foreign Operation as laid down in Accounting Standard ("AS") 11 viz. Effects of Changes In Foreign Exchange Rates issued by ICAI.

Accounting Currency & Presentation Currency

The accounting currency of the company is USD and the consolidated financial statements are presented in USD for Group Consolidation purposes of its parent, ONGC Videsh Limited.

5. Ultimate parent company

The immediate parent of the Company is ONGC Videsh Limited ("ONGC Videsh"), India. Oil and Natural Gas Corporation Ltd ("ONGC") a company incorporated in India is the ultimate parent Company.

6. Reclassification of comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation

(P. K. Rao)
Chairman


(Richard Chindt)
Director


(Roland Goransson)
Director

Date: 18 May 2017

