

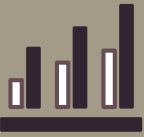




CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE



The Company believes that sound corporate governance is a key element for enhancing and retaining the trust of investors and various other stakeholders. As a responsible corporate citizen your Company has evolved best practices which are structured to institutionalise policies and procedures that enhance the efficacy of the Board and inculcate a culture of accountability, transparency and integrity across the Cairn India group as a whole.

COMPOSITION, BOARD PROCEDURE AND INFORMATION SUPPLIED TO THE BOARD

Your Company endeavors to have a judicious mix of executive, non-executive and independent Directors, so as to have independence on the Board and separate its function of governance from that of management. Your Company also has a woman



Director which brings diversity on the Board.

As on 31 March, 2016, the Board comprised eight Directors, including seven non-executive Directors, four of whom are also independent.

The Chairman of the Board is a non-executive promoter Director and the Chairman's office is

separate from that of the Chief Executive Officer. The experience of all Directors, who are renowned professionals, having diverse expertise in finance, economics, oil and gas, general administration and management, strengthens the governance and management of Company's affairs.

The details of composition of the Board along with the number of Directorship(s) / Committee Membership(s)/Chairmanship(s) as

Mr. Mayank Ashar - Managing Director & Chief Executive Officer, Mr. Sudhir Mathur - Chief Financial Officer and Ms. Neerja Sharma - Director Assurance & Communication and Company Secretary are the Key Managerial Personnel (KMPs) of the Company. During the year under review, there was no change in the position of Directors/ KMPs of the Company.

The Company follows a structured process of decision-making by the

items are backed by comprehensive background information to enable the Board to take informed decisions. The matters of strategic importance including business plan, annual budget, key borrowings, declaration of dividend, significant changes in the accounting policies, Board appointments and removals etc. are reserved for consideration & approval of the Board.

The Board has complete access to all the relevant information of the

1. COMPOSITION OF THE BOARD AND DIRECTORSHIP(S) / COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) THEREOF AS ON 31 MARCH, 2016

| S. No. | Name of the Director | Category | No. of other Directorships | | Memberships / Chairmanships of Board level Committees ** | |
|--------|----------------------|---|----------------------------|---------|--|----------|
| | | | Indian | Others* | Member | Chairman |
| 1 | Mr. Navin Agarwal | Chairman, Non-Executive Director | 3 | 3 | - | - |
| 2 | Mr. Tarun Jain | Non-Executive Director | 2 | 3 | 3 | - |
| 3 | Ms. Priya Agarwal | Non-Executive Director | - | - | - | - |
| 4 | Mr. Aman Mehta | Non-Executive Independent Director | 5 | 3 | 7 | 4 |
| 5 | Mr. Naresh Chandra | Non-Executive Independent Director | 8 | 2 | 10 | 1 |
| 6 | Dr. Omkar Goswami | Non-Executive Independent Director | 9 | 2 | 8 | 1 |
| 7 | Mr. Edward T. Story | Non-Executive Independent Director | - | 3 | 2 | - |
| 8 | Mr. Mayank Ashar | Managing Director & Chief Executive Officer | - | 1 | - | - |

* Directorships in foreign companies/bodies corporate and in private limited companies & not-for-profit companies under the Companies Act, 2013.

** Only Audit Committee and the Stakeholders' Relationship Committee of Indian public limited companies (including Cairn India Limited) have been considered.

on 31 March, 2016 is given in Table 1. None of the Directors are members of more than ten Board-level committees of Indian public limited companies, nor are they chairmen of more than five committees in which they are members. Further, none of the independent Directors serves as an independent Director in more than seven listed companies. Mr. Mayank Ashar, Managing Director & Chief Executive Officer of the Company holds directorship in an overseas listed company.

None of the Directors are related to the other Directors, or to any other employee of the Company except Mr. Navin Agarwal and Ms. Priya Agarwal. Ms. Agarwal is the daughter of Mr. Navin Agarwal's elder brother, Mr. Anil Agarwal.

Board and its Committees. There is a well organised system for seeking Board approval which facilitates and provides room for sound decision making by the Board and its Committees.

The Board/ Committee meeting dates are usually finalised well before the beginning of the year in consultation with the respective Board and Committee members. To address specific urgent needs, meetings are also called at shorter notice but never less than a minimum of seven days. Detailed agenda, management reports and other explanatory statements are circulated at least seven days ahead of the meeting. The Directors are also free to recommend inclusion of any matter in the agenda for discussion. All agenda

Company. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated under Companies Act, 2013, Secretarial Standard on the meetings of the Board issued by Institute of Company Secretaries of India and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Directors may seek necessary clarification from the management on any information provided to them and also have the right to seek external legal advice as may be required for the performance of their duties.

If required, the Board also approves resolutions by way of circulation between two successive Board



Offshore operations at Suvali, Gujarat



Committee meetings provides an effective post meeting follow up, review and reporting mechanism for the action taken on the decisions/ instructions of the Board and its Committees. As per Board's decision, the Company Secretary informs the concerned functional heads about matters arising out of the deliberations during a meeting. The functional heads in turn provide updates to the Board at the next meeting. All the Directors of the Company have access to the advice and services of the Company Secretary.

NUMBER OF BOARD MEETINGS AND THE ATTENDANCE OF DIRECTORS

The Board meets at least once in a quarter to review inter-alia the quarterly financial results and other items on the agenda. Additional meetings are also held to address the specific business needs of the Company. Facility of video conferencing or other audio visual means are also provided to enable Directors to participate in Board meetings. In addition, the independent Directors also hold separate meeting at least once in

meetings. These are often preceded by Board discussions through audio conference.

BOARD SUPPORT AND ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary is responsible for collation, review and distribution of all

papers submitted to the Board for consideration and preparation of the agenda as well as convening of the Board/ Committee meetings. The Company Secretary reports to the Board about compliance with the applicable statutory requirements and laws and advises on good governance principles.

The Company Secretary attends all the meetings of the Board and its Committees and ensures appropriate recording of minutes of the meetings. Further, the process for the Board/

a year, to review the performance of non-independent Directors, the Board as a whole and the Chairman.

During the year ended 31 March, 2016, the Board of Directors met five times viz. on 23 April, 2015, 14 June, 2015, 21 July, 2015, 21 October, 2015 and 22 January, 2016. The maximum gap between any two meetings was not more than one hundred and twenty days.

Directors' attendance at Board meetings and the annual general meeting of the Company held during the year ended 31 March, 2016 is given in Table 2.

COMMITTEES OF THE BOARD

Audit Committee

Your Company has a duly constituted Audit Committee and its composition meets the requirement of Section 177 of Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Board has amended and enhanced the terms of reference of the Audit Committee to align with the additional requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The current charter of the Audit Committee is in line with international best practices as well as the regulatory requirements mandated by Companies Act,

2. DIRECTORS' ATTENDANCE RECORD FOR THE YEAR ENDED 31 MARCH, 2016

| S.No. | Name of the Director | No. of meetings held during the financial year | No. of meetings attended | Presence at the last AGM |
|-------|----------------------|--|--------------------------|--------------------------|
| 1 | Mr. Navin Agarwal | 5 | 4 | Yes |
| 2 | Mr. Tarun Jain | 5 | 4 | Yes |
| 3 | Ms. Priya Agarwal | 5 | 3 | Yes |
| 4 | Mr. Aman Mehta | 5 | 4 | Yes |
| 5 | Mr. Naresh Chandra | 5 | 3 | Yes |
| 6 | Dr. Omkar Goswami | 5 | 5 | Yes |
| 7 | Mr. Edward T. Story | 5 | 5 | Yes |
| 8 | Mr. Mayank Ashar | 5 | 5 | Yes |

2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31 March, 2016, the Committee comprised five non-executive Directors viz. Mr. Aman Mehta (Chairman), Mr. Naresh Chandra, Mr. Tarun Jain, Dr. Omkar Goswami and Mr. Edward T. Story. Apart from Mr. Tarun Jain, all other Committee members are independent. All members of the Committee are financially literate and have accounting or related financial management expertise as mandated by Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year ended 31 March, 2016, the Audit Committee met five times viz. on 23 April, 2015, 14 June, 2015, 20 July, 2015, 21 October, 2015 and 22 January, 2016. The attendance record of the Audit Committee meetings is given in Table 3. Mr. Aman Mehta, Chairman of the Audit Committee, was present at the Company's last AGM held on 21 July, 2015. Ms. Neerja Sharma, Director - Assurance & Communication and

Company Secretary is the secretary of the Committee. The Chief Financial Officer and Chief Internal Auditor of the Company and the relevant partner of the statutory auditor firm are invitees to the meetings of the Audit Committee.

Terms of Reference

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure correct, sufficient and credible financial information.
- Recommending to the Board the appointment, re-appointment or replacement of statutory auditors and approving their audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with management, the annual financial information before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Directors' Responsibility Statement in the Board's Report pursuant

3. ATTENDANCE RECORD OF AUDIT COMMITTEE MEETINGS FOR THE YEAR ENDED 31 MARCH, 2016

| Name | Position | Status | No. of meetings held during the financial year | No. of meetings attended |
|---------------------|------------------------|----------|--|--------------------------|
| Mr. Aman Mehta | Independent Director | Chairman | 5 | 4 |
| Mr. Naresh Chandra | Independent Director | Member | 5 | 3 |
| Dr. Omkar Goswami | Independent Director | Member | 5 | 5 |
| Mr. Edward T. Story | Independent Director | Member | 5 | 5 |
| Mr. Tarun Jain | Non-Executive Director | Member | 5 | 4 |



 Safety remains our key core value in daily operations

- to Companies Act.
- b) changes, if any, in accounting policies and practices and reasons for such changes.
 - c) major accounting entries involving estimates based on the exercise of judgment by the Company's management.
 - d) any significant adjustments made in the financial information arising out of audit findings.
 - e) compliance with listing and other legal or regulatory requirements relating to financial information.
 - f) disclosure of any related party transactions.
 - g) any qualifications in the draft audit report.
- Reviewing, with management, the quarterly financial information before submission to the Board for approval.
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 - Reviewing, with management, the performance of statutory and internal auditors, and the adequacy of the internal control systems of the Company.
 - Approving the appointment, removal and terms of remuneration of the chief internal auditor.
 - Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussing with internal auditors any significant findings and following up on any such significant findings.
 - Reviewing the findings of any internal investigation by internal auditors into matters relating to irregularities, fraud, or a failure in internal control systems of a material nature, and reporting such matters to the Board.
 - Having pre-audit discussions with the statutory auditors as to the nature and scope of the audit, and post-audit discussions to ascertain any areas of concern.
 - Looking into the reasons for any substantial defaults in payments to debenture holders, shareholders (in case of the non-payment of declared dividends) and creditors.
 - Reviewing the Company's financial and risk management policies.
 - Reviewing the functioning of the whistle blower mechanism of the Company.
 - Approving the appointment of CFO (i.e. the Wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background of the candidate.
 - Monitoring the utilisation of funds to be raised pursuant to a public issue.
 - Reviewing and monitoring auditors' independence and performance and effectiveness of audit process.
 - Approval of all transactions of the Company with related parties.
 - Scrutiny of inter-corporate loans and investments.
 - Valuation of undertakings or assets of the Company, wherever it is necessary.
 - Monitoring the end use of funds raised through public offers and related matters.
 - Oversee the vigil mechanism of the Company.
 - Evaluation of internal financial controls and risk management systems.
 - Carrying out any other function as the Board may from time to time refer to the Audit Committee.
- The Audit Committee is also required to review the following information:
- a. Management discussion and analysis of financial condition and results of operations.
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - d. Internal audit reports relating to internal control weaknesses.
 - e. Quarterly and annual statement of use of proceeds of public issue, right issue etc. for purposes other than those stated in the offer document/ explanatory statement, before submission to stock exchange and reviewing annual statement of the monitoring agency on the said matters.

Nomination & Remuneration Committee

The Company has a duly constituted Nomination & Remuneration Committee, which amongst others is responsible for identifying and recommending persons who are qualified to become directors or appointed as part of senior management of the Company and laying down remuneration policy.

4. ATTENDANCE RECORD OF NOMINATION & REMUNERATION COMMITTEE MEETINGS FOR THE YEAR ENDED 31 MARCH, 2016

| Name | Position | Status | No. of meetings held during the financial year | No. of meetings attended |
|--------------------|------------------------|----------|--|--------------------------|
| Mr. Naresh Chandra | Independent Director | Chairman | 4 | 3 |
| Dr. Omkar Goswami | Independent Director | Member | 4 | 4 |
| Mr. Aman Mehta | Independent Director | Member | 4 | 4 |
| Mr. Navin Agarwal | Non-Executive Director | Member | 4 | 4 |
| Mr. Tarun Jain | Non-Executive Director | Member | 4 | 4 |

As on 31 March, 2016, the Committee comprised five non-executive Directors viz. Mr. Naresh Chandra (Chairman), Mr. Navin Agarwal, Mr. Tarun Jain, Mr. Aman Mehta and Dr. Omkar Goswami. Three of these members are independent Directors. During the year ended 31 March, 2016, the Nomination & Remuneration Committee met four times viz. on 23 April, 2015, 21 July, 2015, 21 October, 2015 and 22 January, 2016. The attendance record of the Nomination & Remuneration Committee meetings is given in Table 4.

During the year under review, the Board amended the terms of reference of the Nomination and Remuneration Committee to align with the requirement prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference

- Reviewing the structure, size and composition of the Board, and making recommendations to the Board with regard to changes, if any.
- Evaluating the balance of skills, knowledge and experience of the Board and, in light of this evaluation, preparing a description of the roles and capabilities required for particular appointments.
- Reviewing time required from each non-executive Director, and assessing whether he or she has
- given sufficient commitment to the role.
- Considering succession planning taking into account the challenges and opportunities faced by the Company, and what skills and expertise are needed from members of the Board in the future.
- Ensuring that on appointment to the Board, the non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management and recommending to the Board their appointment and removal.
- Formulating the criteria for determining qualifications, positive attributes and independence of a Director.
- Carrying out evaluation of the performance of the Board, individual Directors and of the various Board Committees.
- Deciding whether to extend or continue the term of appointment of the independent Directors on the basis of performance evaluation report.
- Devising a policy on Board diversity.
- Recommending to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees. While formulating the policy, the Committee must ensure that:
 - a. the level and composition of

remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c. the remuneration of Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
 - d. a significant proportion of executive Directors' remuneration is structured so as to link rewards to corporate and individual performance.
 - e. taking into account factors it deems relevant and gives due regard to the interests of shareholders and to the financial and commercial health of the Company.
- Overseeing the Company's share option schemes and long term incentive plans, which include determination of the eligibility for benefits and approval of total annual payments.

REMUNERATION POLICY

The Company has in place a remuneration policy for Directors, KMPs and employees. The said policy



People are our greatest asset; Best-in-class workforce



Board or Committees thereof and are also eligible for commission as a percentage of net profits as may be decided by the Nomination and Remuneration Committee.

The remuneration paid to the executive Director is determined keeping in view his professional qualification, relevant industry experience, size of the Company and current remuneration standards for such senior executive positions in the oil & gas industry. Perquisites and retirement benefits are paid according to the Company's policy

is annexed as Annexure III to the Board's report.

The policy represents the overarching approach of the Company to the remuneration of Directors, KMPs and other employees and is directed towards rewarding superior performance, business outcomes and

behaviours and attitudes consistent with Company's core values and culture.

DIRECTORS' REMUNERATION

The non-executive Directors receive remuneration by way of sitting fee for attending meetings of the

| 5. DIRECTORS' REMUNERATION FOR THE YEAR ENDED 31 MARCH, 2016 | | | | | | | (in ₹ crore) | |
|--|--------|-------------|--------------------------------|---------------------|------------|--------------|--------------|--|
| Name | Salary | Perquisites | Bonus & Performance incentives | Retirement Benefits | Commission | Sitting Fees | Total | |
| Mr. Navin Agarwal | - | - | - | - | - | 0.040 | 0.040 | |
| Mr. Tarun Jain | - | - | - | - | - | 0.095 | 0.095 | |
| Ms. Priya Agarwal | - | - | - | - | - | 0.015 | 0.015 | |
| Mr. Aman Mehta | - | - | - | - | 0.750 | 0.085 | 0.835 | |
| Mr. Naresh Chandra | - | - | - | - | 0.750 | 0.065 | 0.815 | |
| Dr. Omkar Goswami | - | - | - | - | 0.750 | 0.090 | 0.840 | |
| Mr. Edward T. Story | - | - | - | - | 0.750 | 0.065 | 0.815 | |
| Mr. Mayank Ashar | 7.509 | 5.943 | 2.416 | 0.783 | - | - | 16.651 | |

as applicable to all employees. The total remuneration also includes the annual performance bonus and is based on Company's and individual's performance. The annual performance bonus drives high performance culture to achieve the organisational objective by differentiating rewards based on performance.

During the year 2015-16, Cash award of ₹ 2.517 crore (grant value) was granted to Mr. Mayank Ashar, Managing Director & Chief Executive Officer with a lock in period of 3 years from the date of grant. The payout is based on fulfilment of performance conditions and could be upto 113% of grant value.

The appointment contract of Mr. Ashar is terminable with 3 months' notice from either side or without notice by the Company on payment of proportionate amount in lieu of notice period.

The remuneration paid or payable to the Directors for the financial year under review is given in Table 5.

Apart from above, non-executive Directors do not have any material pecuniary relationship or transactions with the Company. None of the non-executive or independent Directors holds any equity shares or convertible instruments of the Company.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is responsible amongst others to resolve the grievances of the security holders of the Company.

As on 31 March, 2016, the Committee comprised three Directors viz. Dr. Omkar Goswami (Chairman), Mr. Edward T. Story and Mr. Tarun Jain. The Chairman of the Committee is an independent Director. Ms. Neerja Sharma, Director – Assurance & Communication and Company Secretary is the compliance officer of the Company and the secretary of the Committee. During the year ended 31 March, 2016, the Committee met twice viz. on 21 July, 2015 and 22 January, 2016. The attendance record of the Stakeholders' Relationship Committee meetings is given in Table 6. In addition, the Committee approves by way of circulation matters pertaining to allotment/ rematerialisation/ transfer of shares etc. as and when required.

Dr. Omkar Goswami, Chairman of the Committee, was present at the Company's last annual general meeting held on 21 July, 2015.

The registrar and transfer agent of the Company viz. Link Intime India Private Limited handles investor

grievances in coordination with the compliance officer. All grievances can be addressed to the registrar and share transfer agent. The Company monitors the work of the registrar to ensure that the investor grievances are settled expeditiously and satisfactorily. The status of queries and complaints received during the financial year ended 31 March, 2016 is given in Table 7.

Terms of Reference

- To approve/refuse/reject registration of transfer/transmission/transposition of shares.
- To allot shares on exercise of stock options and to authorise issue of share certificates.
- To authorise:
 - i. issue of duplicate share certificates and issue of share certificates after split/consolidation/rematerialisation of shareholding.
 - ii. printing of share certificates.
 - iii. affixation of common seal on share certificates of the Company.
 - iv. Directors/ managers/ officers /signatories for signing/endorsing share certificates.
 - v. necessary applications / corporate actions to stock exchanges and depositories

6. ATTENDANCE RECORD OF STAKEHOLDERS' RELATIONSHIP COMMITTEE MEETINGS FOR THE YEAR ENDED 31 MARCH, 2016

| Name | Position | Status | No. of meetings held during the financial year | No. of meetings attended |
|---------------------|-------------------------|----------|--|--------------------------|
| Dr. Omkar Goswami | Independent Director | Chairman | 2 | 2 |
| Mr. Edward T. Story | Independent Director | Member | 2 | 2 |
| Mr. Tarun Jain | Non- Executive Director | Member | 2 | 2 |

7. QUERIES AND COMPLAINTS RECEIVED AND ATTENDED DURING THE FINANCIAL YEAR ENDED 31 MARCH, 2016

| Nature of Query/Complaint | No. of Queries/Complaints | | |
|--|---------------------------|--------------|----------|
| | Received | Attended | Pending |
| Received from security holders for non-receipt of balance sheet/ dividends/ IPO refund orders/ shares in demat suspense account etc. | 1,843 | 1,843 | - |
| Received from regulatory bodies such as Ministry of Corporate Affairs, Securities and Exchange Board of India and stock exchanges | 21 | 21 | - |
| Total | 1,864 | 1,864 | - |

arising out of and incidental to the exercise of options by the employees.

CSR Committee

The CSR Committee is responsible for fulfilling CSR objectives of the Company. As on 31 March, 2016, the Committee comprised three Directors viz. Mr. Naresh Chandra (Chairman), Mr. Aman Mehta and Mr. Tarun Jain. The Chairman of the Committee is an independent Director.

During the year ended 31 March, 2016, the Committee met three times viz. on 23 April, 2015, 21 October, 2015 and 22 January, 2016. The attendance record of the CSR Committee meetings is given in Table 8.

Terms of Reference

- Review, agree and establish the Company's CSR policy and to ensure that Company's social, environmental and economic activities are aligned with each other.
- Develop and recommend for acceptance by the Board, policies on all aspects of CSR including environmental sustainability, eradication of hunger and poverty, upliftment of society, promotion of education, reducing child mortality and improving maternal health, employment, enhancing vocational skills etc.

and other CSR related matters as may be determined by the CSR Committee from time to time.

- Monitor compliance with the CSR policy and to review performance against agreed targets.
- Review the integration of CSR processes with business risk management policy of the Company.
- Establish link between the Company's financial performance and its social and environmental performance.
- Recommend to the Board the amount of expenditure to be spent on CSR activities.
- Consider such other matters and issues in relation to CSR as may be stipulated by the Board from time to time.

Risk Management Committee

The Company has a duly constituted Risk Management Committee which assists the Board in its oversight of the Company's management of key risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

As on 31 March, 2016, the Committee comprised three members viz. Mr. Mayank Ashar (Chairman), Mr. Tarun Jain and Mr. Sudhir Mathur. During the year ended 31 March, 2016, the Committee met four times viz.

on 3 July, 2015, 29 September, 2015, 6 January, 2016 and 31 March, 2016. The attendance record of the Risk Management Committee meetings is given in Table 9.

Terms of Reference

- To ensure there is an embedded, robust process in place throughout the Company to identify, assess, mitigate and report business risks with clear lines of ownership.
- To drive and co-ordinate risk management process covering all areas of risk (including operational, HSE, strategic, financial, commercial, regulatory, reputational etc.), through an appropriate business risk management organisation.
- To ensure that the business risk strategy and management processes comply with applicable regulatory requirements and corporate governance principles.
- To ensure that the business risk management principles and processes are widely understood across the Company through adequate induction, training and awareness programs.
- To periodically monitor and review Company's key business risks and risk mitigation plans, and advise the Board of business risks which could materially impact the Company's delivery of its business plans, strategy, and

| 8. ATTENDANCE RECORD OF CSR COMMITTEE MEETINGS FOR THE YEAR ENDED 31 MARCH, 2016 | | | | |
|--|------------------------|----------|--|--------------------------|
| Name | Position | Status | No. of meetings held during the financial year | No. of meetings attended |
| Mr. Naresh Chandra | Independent Director | Chairman | 3 | 2 |
| Mr. Aman Mehta | Independent Director | Member | 3 | 3 |
| Mr. Tarun Jain | Non-Executive Director | Member | 3 | 3 |

| 9. ATTENDANCE RECORD OF RISK MANAGEMENT COMMITTEE MEETINGS FOR THE YEAR ENDED 31 MARCH, 2016 | | | | |
|--|-------------------------|----------|--|--------------------------|
| Name | Position | Status | No. of meetings held during the financial year | No. of meetings attended |
| Mr. Mayank Ashar | Managing Director & CEO | Chairman | 4 | 4 |
| Mr. Tarun Jain | Non-Executive Director | Member | 4 | 2 |
| Mr. Sudhir Mathur | Chief Financial Officer | Member | 4 | 4 |

reputation, if left untreated.

- To monitor external developments in the business environment which may have an adverse impact on the Company's risk profile, and make recommendations, as appropriate.
- To sponsor specialist reviews of key risk areas as appropriate.
- To report to the Board on key risks, risk management performance and the effectiveness of internal controls.

Meeting of Independent Directors

During the year under review, the independent Directors met two times viz. on 22 April, 2015 and 25 March, 2016.

CODE OF CONDUCT

The Company has adopted a "Code of Business Ethics" that develops and formalises its vision and values, and serves as a guide for the business actions in a global, complex and changing environment. The Code sets forth Company's commitment to the principles of business ethics and transparency in all areas of activity and establishes a set of principles and guidelines for conduct designed to ensure ethical and responsible behavior. The Code is applicable to the Company and its subsidiaries including its Directors, employees, officers and service providers & contractors working for and / or on behalf of the Company. Periodic training and education through learning program is also provided on the said Code.

All Board members and senior management of Cairn India Limited have affirmed compliance with the Code for the year ended 31 March, 2016. Details of the Code are available on website of the Company viz. www.cairnindia.com.

DISCLOSURES

The Company follows the accounting standards and guidelines laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. Further, the Company has also followed the Companies (Cost Records and Audit) Rules, 2014.

No material financial and commercial transactions were reported by the management to the Board, in which the management had any personal interest that either had or could have had a conflict with the interest of the Company at large. There were no transactions with the Directors or senior management, their associates or their relatives etc. that either had or could have had a conflict with the interest of the Company at large.

Further, the Company has complied with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No penalties or strictures have been imposed on the Company by the stock exchanges, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

RELATED PARTY TRANSACTIONS

The Company has a duly adopted policy for related party transactions which prescribes for prior approval of the Audit Committee and Board of Directors of the Company. Prior approval of the shareholders of the Company is also required for certain related party transactions as prescribed under Companies Act, 2013 and Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available on the Company's website viz. <https://www.cairnindia.com/investors/corporate-governance/board-composition/miscellaneous>

All transactions entered into by the Company with related parties during the financial year were on arm's length basis. No material significant related party transactions were entered into by the Company with promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

VIGIL MECHANISM

The Company has in place a whistleblower policy, to support the Code of Business Ethics. The details of the establishment of vigil mechanism forms part of the Board's report.

CODE FOR PREVENTION OF INSIDER TRADING

The Company has a code for prevention of Insider Trading. The code is applicable to Directors, KMPs and designated employees and to connected persons having access or reasonably expected to have access to any unpublished price sensitive information relating directly or indirectly to the Company or its securities or its subsidiary companies. During the year, the code was amended to bring it in line with the requirement of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The code defines the principles and the restrictions to be observed by the designated employees and others while dealing or proposing any transaction in the shares and

securities of the Company or while in possession of any unpublished price sensitive information and related matters. The code clearly specifies that the Directors and designated employees of the Company can trade in the shares of the Company only when 'trading window' is open. The trading window, amongst others, is closed during the time of declaration of financial results and occurrence of any material events as per the code. An annual disclosure is also taken from all the Directors and designated employees of the Company disclosing their shareholding in the Company at the year end.

CEO / CFO CERTIFICATION

The CEO's and CFO's certification of the financial statements and a declaration that all Board members and senior management have affirmed compliance with the Company's Code of Business Ethics for the year ended 31 March, 2016 is attached with this report.

SUBSIDIARY COMPANIES

As on 31 March, 2016, the Company had a total of 13 (thirteen) subsidiary companies including indirect subsidiaries. All subsidiaries of the Company are unlisted companies incorporated outside India and are 100% beneficially owned by Cairn India Limited. These subsidiaries have their own Board of Directors having the authority to manage such companies in the best interest of the company. The Company regularly monitors the performance of such companies.

During the financial year under review, in continuation of the efforts to realign the group structure and consolidate the multi layered structure, Cairn Exploration (No. 6) Limited was dissolved. Subsequent to close of financial year Cairn Exploration (No. 7) Limited was

dissolved effective 19 April, 2016.

Further, in terms of the provisions of Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, minutes of board meetings of subsidiary companies along with summary of key decisions are regularly placed before the Board of the Company.

The Company has in place policy for dealing with the material subsidiaries which is available on the website of the Company viz. <https://www.cairnindia.com/investors/corporate-governance/board-composition/miscellaneous>

FAMILIARISATION PROGRAM FOR DIRECTORS

The Company provides an orientation and business overview to all its new Directors and provides materials and briefing sessions periodically to all Directors which assists them in discharging their duties and responsibilities.

The Directors of the Company are also informed of the important developments in the Company and industry, through e-mails, internal magazines etc. Directors are fully briefed on all business related matters, risk assessment & minimisation procedures and new initiatives proposed by the Company and updated on changes and developments in the domestic & global corporate and industry scenario.

The details of the familiarisation program for Directors is available on the website of the Company viz. <https://www.cairnindia.com/investors/corporate-governance/board-composition/miscellaneous>

PERFORMANCE EVALUATION OF THE BOARD

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual Directors was carried out for the year 2015-16 as per details provided in the Board's Report.

DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Brief profile of Ms. Priya Agarwal seeking re-appointment as Director at the ensuing annual general meeting of the Company is given below:

Ms. Priya Agarwal (DIN 05162177), 26, has done B.Sc. Psychology with Business Management from the University of Warwick in the UK. She had experience in Public Relations with Ogilvy & Mather and in Human Resources with KornFerry International, Vedanta Resources and HDFC Bank and in Strategic Planning with Rediffusion Y&R.

Ms. Priya Agarwal does not hold any shares in Cairn India Limited nor does she hold directorship or committee membership in any other company.

MEANS OF COMMUNICATION

Financial/ Quarterly Results

The Company intimates unaudited/ audited financial results to the stock exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation.

The financial results are also displayed on the Company's website viz. www.cairnindia.com and posted

on NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the Listing Centre).

Further, as a good corporate governance practice, the Company sends its quarterly financial results to shareholders whose email ids are registered with the depository participants through email after they are approved by the Board and disseminated to the stock exchanges.

Chairman Communique

Printed copy of the Chairman's speech is distributed to all shareholders at the annual general meeting. The same is also placed on the website of the Company.

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web based application designed by NSE for corporates. All compliance filings like shareholding pattern, corporate governance report, press releases, announcements, corporate actions etc. are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the "Listing Centre")

The Listing Centre of BSE is a web based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, press releases etc. are filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web based complaints redress system. The system enables centralised database

of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on their complaint and current status.

Designated & Exclusive email-ids

The Company has designated the following email ids exclusively for investor servicing:

- a. Queries by retail investors
- *investor.complaints@cairnindia.com*;
- *rnt.helpdesk@linkintime.co.in*
- b. Queries by institutional investors
- *cilir@cairnindia.com*
- c. The investors can also lodge their queries on the company's website viz. *www.cairnindia.com* under the "Investors" section.

News Releases, Analyst Presentation, etc.

The quarterly and annual results are generally published in 'The Financial Express' and 'Nav Shakti'. Official news releases, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website viz. *www.cairnindia.com*

Website

The Company's website viz. *www.cairnindia.com* contains a separate dedicated section 'Investors' where shareholders' information is available. The full annual report, shareholding pattern, press release, quarterly reports, details of unpaid/unclaimed dividend amounts, policy of material subsidiaries, policy of related party transactions, letter of appointment of independent Directors, status of queries and complaints and other related information is available on the website.

All the events or information disclosed to stock exchanges are also displayed on the website of the Company. Further, various forms like surety, affidavit, indemnity for loss of share certificates, share nomination, ECS mandate etc. are also available on the website.

GENERAL BODY MEETINGS

Since its incorporation, the Company has had nine annual general meetings and four extraordinary general meetings. The forthcoming annual general meeting is scheduled to take place on Thursday, 21 July, 2016. The details in respect of last three AGMs are given in Table 10. Further, no special resolution was passed at any of the said AGMs.

Resolutions passed through postal ballot in last three years

The details of special and ordinary resolutions passed through postal ballot in last three years are given in Table 11.

Whether any Special Resolution is proposed to be passed through Postal ballot:

None of the business proposed to be transacted at the ensuing annual general meeting require passing of special resolution through postal ballot.

Procedure of Postal Ballot

The notice containing the proposed resolutions and explanatory statement thereto is sent to the registered addresses of all the shareholders of the Company along with a postal ballot form and a postage pre-paid envelope containing the address of the scrutiniser appointed by the Board for carrying out the ballot process.

| 10. LOCATION AND TIME OF ANNUAL GENERAL MEETINGS | | | |
|--|---|---------------|------------|
| Financial Year | Venue | Date | Time |
| 2012-13 | Rangsharda Auditorium, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai | 24 July, 2013 | 10.30 a.m. |
| 2013-14 | Rangsharda Auditorium, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai | 23 July, 2014 | 10.30 a.m. |
| 2014-15 | Rangsharda Auditorium, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai | 21 July, 2015 | 10.30 a.m. |

| 11. RESOLUTIONS PASSED THROUGH POSTAL BALLOT IN LAST THREE YEARS IN TERMS OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 | | | | | |
|---|--|---|---|---|---|
| S.No. | Subject matter | Record date of register of members for dispatch of notice | Last date and time for receipt of postal ballot forms | Date of passing resolution / type of resolution | Scrutinizer |
| 1 | Amendments in Cairn India Performance Option Plan (CIPOP) in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 | 22 April, 2013 | 5.30 p.m. on 7 June, 2013 | 12 June, 2013/ Special | Mr. Nesar Ahmed, Practicing Company Secretary |
| 2 | Purchase by the Company of its fully paid-up equity shares from the open market through the stock exchanges as prescribed under Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, read with Section 77A, 77B(2), 192A and other applicable provisions, if any, of the Companies Act, 1956 and Sections 68, 69, 70, 110 and other provisions and Rules, if any, applicable or notified from time to time under Companies Act, 2013 | 26 November, 2013 | 5.30 p.m. on 2 January, 2014 | 6 January, 2014/ Special | Mr. Nesar Ahmed, Practicing Company Secretary |
| 3 | Appointment of Mr. Mayank Ashar as Managing Director & Chief Executive Officer for a period of five years upto 16 November, 2019. | 21 October, 2014 | 5.30 p.m. on 8 December, 2014 | 11 December, 2014/ Ordinary | Mr. Sanjay Grover, Practicing Company Secretary |

The e-voting facility is provided by the Company to all shareholders which enables them to cast their vote electronically. The Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for providing the e-voting facility to its shareholders.

Under e-voting facility, the shareholders are provided with an electronic platform to participate and vote on the proposed resolutions of the Company. The e-voting window remains open for a period of thirty days whereby the shareholders can vote on the resolution using their login credentials. The step-wise process and manner for e-voting is provided in the postal ballot form and also in the email which is sent to shareholders along with the postal ballot notice. The scrutiniser submits his report to the Chairman/ Director or person authorised by the Board within prescribed time who on the basis of the report announces the results.

COMPLIANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Discretionary Requirements

The Board

The non-executive Chairman during the financial year 2015-16 was not reimbursed any expenses for maintenance of the Chairman's office or performance of his duties.

Shareholders Rights

As a part of good corporate governance practice, the Company sends its quarterly financial results to shareholders whose email ids

are registered with the depository participants through email after they are approved by the Board and disseminated to the stock exchanges.

The results are also published on the website of the Company viz. www.cairnindia.com and in widely circulated newspapers.

Audit Qualifications

There are no audit qualifications in the financial statements of 2015-16. The Company continues to adopt best practices in order to ensure unqualified financial statements.

Separate post of Chairman and CEO

The Chairman office is separate from that of the Chief Executive Officer.

Reporting of Internal Auditor

The Chief Internal Auditor of the Company attends the meeting of the Audit Committee on regular basis. Internal audit findings are reported directly to the Audit Committee.



CORPORATE GOVERNANCE

ADDITIONAL SHAREHOLDER INFORMATION



ANNUAL GENERAL MEETING

Date: 21 July, 2016

Time: 10.30 a.m.

Venue: Rangsharda Auditorium,
K C Marg, Bandra Reclamation,
Bandra West, Mumbai-400 050

E-voting facility would be provided in terms of Companies Act, 2013, and rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members are requested to refer to the AGM notice for the voting instructions.

Financial Year: 1 April to 31 March

Financial Calendar

For the year ended 31 March, 2016, results were announced on:

- 21 July, 2015: First quarter
- 21 October, 2015: Second quarter and half yearly results
- 22 January, 2016 : Third quarter
- 22 April, 2016: Fourth quarter and full financial year's results

For the year ending 31 March, 2017, results will be announced by:

- Last week of July 2016: First quarter
- Last week of October 2016: Second quarter and half yearly results
- Last week of January 2017: Third quarter
- Last week of April, 2017: Fourth quarter and full financial year's results

Final Dividend

The Board of Directors of the Company has recommended a final dividend of ₹ 3 per equity share of face value of ₹ 10 per share. The dividend recommended by the Directors for the year ended 31 March, 2016, if declared at the ensuing annual general meeting, will be paid by Friday, 12 August, 2016 to those members, whose names appear in the register of members/depository records as on the closing hours of business on 11 July, 2016.

Unclaimed Dividend

As per the provisions of the Companies Act, any amount that remains unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF). In accordance with the said provisions, the dividends

12. UNCLAIMED DIVIDEND

| S.No. | Financial Year | Type of Dividend | Dividend/equity share (₹) | Date of declaration | Due Date of Transfer |
|-------|----------------|------------------|---------------------------|---------------------|----------------------|
| 1 | 2012-13 | Interim | 5.00 | 31 October, 2012 | 7 December, 2019 |
| 2 | 2012-13 | Final | 6.50 | 24 July, 2013 | 24 August, 2020 |
| 3 | 2013-14 | Interim | 6.00 | 22 October, 2013 | 28 November, 2020 |
| 4 | 2013-14 | Final | 6.50 | 23 July, 2014 | 28 August, 2021 |
| 5 | 2014-15 | Interim | 5.00 | 17 September, 2014 | 18 October, 2021 |
| 6 | 2014-15 | Final | 4.00 | 21 July, 2015 | 25 August, 2022 |

already declared and paid by the Company, if remaining unclaimed and unpaid for a period of seven years, will be transferred to IEPF, as per the details mentioned in Table 12.

The shareholders are requested to write to the registrar and share transfer agent/ Company to claim the unpaid dividend of previous years due to them and complete necessary formalities.

Book Closure

The register of members and the share transfer books of the Company will remain closed from Tuesday, 12 July, 2016 to Thursday, 21 July, 2016 (both days inclusive).

National ECS (NECS) Facility

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralised processing of inward instructions and efficiency in handling bulk transactions. NECS mandate will

help to avoid the loss of warrant in transit or non-receipt of dividend warrant. In this regard, shareholders holding shares in electronic form are requested to furnish the 10-digit bank account number allotted to them by their bank (after implementation of CBS), along with photocopy of a cheque pertaining to the concerned account, to their Depository Participant (DP) or send these details to the Company/ registrar, if the shares are held in physical form to avail NECS facility for receiving dividend. If your bank particulars have changed for any reason, please arrange to register the NECS with the revised bank particulars.

Listing

The equity shares of the Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The annual listing fee for the financial year 2016-17 has been paid to BSE and NSE. The stock codes are given in Table 13.

Compliance of Share Transfer formalities and Reconciliation of Share Capital

Pursuant to Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and erstwhile clause 47(c) of the listing agreement with the stock exchanges, certificate on half yearly basis, was issued by the Company Secretary in practice confirming due compliance of share transfer formalities by the Company.

Audits were also carried out by the practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE. The audit confirms that the total issued / paid up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

13. STOCK EXCHANGE CODES

| Name of the Stock Exchange | ISIN | Stock Code | Website |
|--|--------------|------------|------------------|
| The National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051 | INE910H01017 | CAIRN | www.nseindia.com |
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 | | 532792 | www.bseindia.com |

CHART A: SHARE PERFORMANCE VS. NIFTY & SENSEX

Note: Share prices, Nifty and Sensex indexed to 100 as on the first working day of the financial year 2015-16 i.e. 1 April, 2015.

Market Price Data

The market price data of Company's share is provided in Chart A and Table 14.

Distribution of Shareholding

Tables 15 and 16 list the distribution

of the shareholding and shareholding pattern of the Company by size and by ownership class as on 31 March, 2016.

Dematerialisation of Shares

Cairn India's shares are compulsorily traded in dematerialised form under ISIN INE910H01017 and are available

to be kept in dematerialised form on both the depositories of India-National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31 March, 2016, over 99.99% shares of the Company were held in dematerialised form.

Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion dates and likely impact on equity

There are no outstanding GDRs / ADRs / warrants or any convertible instruments issued by the Company. However, the Company has outstanding employee stock options, the details of which as on 31 March, 2016 are given in Table 17.

As per respective ESOP schemes, if all the outstanding stock options granted, get vested and exercised, the number of equity shares will increase by 14,663,847.

14. HIGH AND LOW PRICE AND VOLUME OF COMPANY'S SHARES TRADED ON BSE AND NSE DURING THE FINANCIAL YEAR ENDED 31 MARCH, 2016

| Months | BSE | | | NSE | | |
|--------|----------------|---------------|----------------------|----------------|---------------|----------------------|
| | High Price (₹) | Low Price (₹) | No. of Shares traded | High Price (₹) | Low Price (₹) | No. of Shares traded |
| Apr-15 | 239.70 | 202.20 | 6,582,356 | 239.80 | 202.00 | 43,325,556 |
| May-15 | 221.00 | 190.05 | 5,932,189 | 219.95 | 190.15 | 44,960,765 |
| Jun-15 | 197.70 | 170.60 | 6,984,664 | 197.90 | 170.55 | 71,460,431 |
| Jul-15 | 187.80 | 156.80 | 6,342,988 | 188.00 | 156.60 | 52,091,370 |
| Aug-15 | 175.30 | 121.25 | 6,997,472 | 175.60 | 120.75 | 54,089,639 |
| Sep-15 | 155.00 | 139.20 | 5,295,102 | 155.20 | 139.80 | 48,155,642 |
| Oct-15 | 178.85 | 151.70 | 3,986,533 | 172.80 | 151.65 | 45,150,619 |
| Nov-15 | 157.20 | 129.40 | 4,042,582 | 157.40 | 129.00 | 35,502,482 |
| Dec-15 | 141.30 | 122.00 | 4,273,462 | 141.65 | 122.00 | 41,503,558 |
| Jan-16 | 143.65 | 106.60 | 10,662,421 | 143.75 | 106.50 | 75,708,095 |
| Feb-16 | 134.10 | 111.20 | 7,306,679 | 134.40 | 111.15 | 79,506,578 |
| Mar-16 | 159.50 | 116.40 | 6,951,323 | 159.60 | 116.20 | 98,226,441 |

15. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2016

| Number of Shares | No. of Shareholders | % of Shareholders | Number of Shares | % of Shares |
|------------------|---------------------|-------------------|----------------------|---------------|
| Up to 500 | 245,457 | 91.45 | 27,995,969 | 1.49 |
| 501-1000 | 14,965 | 5.58 | 10,269,689 | 0.55 |
| 1001-2000 | 4,299 | 1.60 | 6,236,076 | 0.33 |
| 2001-3000 | 1,243 | 0.46 | 3,170,065 | 0.17 |
| 3001-4000 | 547 | 0.21 | 1,954,753 | 0.11 |
| 4001-5000 | 369 | 0.14 | 1,730,862 | 0.09 |
| 5001-10000 | 596 | 0.22 | 4,351,639 | 0.23 |
| 10001 and above | 919 | 0.34 | 1,819,153,428 | 97.03 |
| Total | 268,395 | 100.00 | 1,874,862,481 | 100.00 |

| 16. SHAREHOLDING PATTERN AS ON 31 MARCH, 2016 | | | |
|---|---|--|---------------|
| S. No. | Particulars | No. of Equity Shares of face Value ₹ 10/- each | Shares held % |
| A. PROMOTERS HOLDING | | | |
| 1 | Indian Promoters | 477,227,940 | 25.45 |
| 2 | Foreign Promoters | 645,486,059 | 34.43 |
| 3 | Persons acting in concert | NIL | NIL |
| B. NON-PROMOTER HOLDINGS | | | |
| a) | Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions) | 176,821,640 | 9.43 |
| b) | Foreign Institutional/Foreign Portfolio Investors | 299,341,423 | 15.97 |
| c) | Public | 66,336,014 | 3.54 |
| d) | Qualified Foreign Investors | NIL | NIL |
| e) | Mutual Funds | 11,213,993 | 0.60 |
| f) | NRI (Repatriable)/Foreign National | 1,915,640 | 0.10 |
| g) | NRI (Non-Repatriable) | 515,814 | 0.03 |
| h) | Bodies Corporate | 9,186,821 | 0.49 |
| i) | Foreign Bodies Corporate | 184,125,764 | 9.82 |
| j) | Clearing Member | 1,962,831 | 0.10 |
| k) | Directors/relatives | NIL | NIL |
| l) | Trusts | 728,542 | 0.04 |
| Grand Total | | 1,874,862,481 | 100.00 |

| 17. OUTSTANDING ESOPS AS ON 31 MARCH, 2016 | | | |
|--|----------------------------|------------------------|-------------------------------|
| ESOP Scheme | No. of Outstanding options | Last date for exercise | Exercise Price per option (₹) |
| CIESOP | 88,244 | 31 December, 2016 | 160 |
| | 182,340 | 19 September, 2017 | 166.95 |
| | 613,919 | 28 July, 2018 | 227 |
| | 1,585,626 | 28 July, 2019 | 240.05 |
| | 1,606,045 | 26 July, 2020 | 331.25 |
| | 2,804,180 | 25 July, 2021 | 327.75 |
| | 2,721,847 | 22 July, 2022 | 326.85 |
| CIPOP | 2,270,194 | 22 October, 2016* | 10 |
| | 2,791,452 | 21 October, 2017* | 10 |
| Total | 14,663,847 | | |

*Indicative date

Commodity price risk/ foreign exchange risk and hedging activities

Cairn India being part of the Oil & Gas Industry has its revenue linked to Oil prices. The Oil prices are denominated in US Dollar. The spend towards operating costs, capital expenditure and statutory levies are incurred both in Indian Rupee as well as US Dollars. The Company manages exposures that arise from receipts and payments by matching receipts and payments in the same currency and actively managing the residual net position. Where residual net exposures are considered significant, the Company may from time to

time, opt to use derivative financial instruments to minimise its exposure to fluctuations in foreign exchange.

Share Suspense Account

As per Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the status of the equity shares lying in the suspense account is given in Table 18. As a part of good governance, the Company has sent various reminders to the shareholders to claim shares lying in suspense account. The voting & beneficial rights on these shares are

frozen till the rightful owner of such shares claims the shares.

Debt Securities

As on 31 March, 2016, there are no outstanding debt securities of the Company.

Share Transfer System

Link Intime India Private Limited is the registrar and transfer agent of the Company. All share transfers and related operations are conducted by Link Intime, which is registered with Securities and Exchange Board of India. The Company



 Marine facility at Bhogat Terminal, Gujarat

| 18. STATUS OF EQUITY SHARES LYING IN THE UNCLAIMED SECURITIES SUSPENSE ACCOUNT OF CAIRN INDIA LIMITED | | | |
|---|--|---------------------|---------------|
| S. No. | Particulars | No. of Shareholders | No. of Shares |
| 1 | Aggregate number of shareholders and the outstanding shares in the suspense account lying on 1 April, 2015 | 46 | 7,910 |
| 2 | No. of shareholders who approached for transfer of shares from suspense account during the 12 months year ended 31 March, 2016 | 2 | 770 |
| 3 | No. of Shareholders to whom shares were transferred from suspense account during the 12 months year ended 31 March, 2016 | 1 | 525 |
| 4 | Aggregate number of shareholders and the outstanding shares in the suspense account lying on 31 March, 2016* | 45 | 7,385 |

*There are no physical shares lying in the unclaimed suspense account.

has a Stakeholders' Relationship Committee for redressing the complaints/ queries of shareholders and investors.

Address for Investor Correspondence

Link Intime India Private Limited

(Unit: Cairn India Limited)
C-13, Pannalal Silk Mills Compound
L.B.S Marg, Bhandup (West)
Mumbai 400 078, India.
e-mail: rnt.helpdesk@linkintime.co.in
Tel +91 22 25946970
Fax +91 22 25946969

Or

Director – Assurance & Communication and Company Secretary

Cairn India Limited
DLF Atria, Jacaranda Marg
DLF City Phase II, Gurgaon – 122 002
e-mail: investor.complaints@cairnindia.com
Tel +91 124 4593000
Fax +91 124 4145612

Investor Relations

The Company has a dedicated Investor Relations department which helps foreign and domestic institutional investors in taking informed decisions. This team maintains close liaison with capital

market participants including brokers, investment bankers, research analysts, portfolio managers and updates them about the Company strategy, business operations and financial performance. Information is shared through emails, periodic meetings, video and audio calls, roadshows, site visits, analyst days and participation in events such as investor and industry conferences.

Investors and analysts also get updated information on the “Investors” section of the Company’s website viz. www.cairnindia.com. It provides the latest information on investor-related events, presentations, transcripts of quarterly calls by the leadership team, financial statements, annual reports and shareholding pattern thus helping existing and potential investors. Contact details of Investor Relations department are separately given to enable institutional investors to directly reach out to the team.

Operational Locations

The Company’s producing oil and gas fields are located at:

Barmer (Rajasthan)
Ravva (Andhra Pradesh)
Cambay Basin (Gujarat)

Registered office:

Cairn India Limited
101, First Floor, C Wing,
Business Square, Andheri Kurla Road,
Andheri (E), Mumbai – 400 059
Tel +91 22 40902613
Fax +91 22 40902633

Corporate office:

Cairn India Limited
DLF Atria, Jacaranda Marg
DLF City Phase II, Gurgaon – 122 002
Tel +91 124 4593000
Fax +91 124 4145612

CORPORATE GOVERNANCE

CERTIFICATE OF THE MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Board of Directors
Cairn India Limited
101, First Floor, C Wing,
Business Square, Andheri Kurla Road,
Andheri (E), Mumbai – 400 059

Dear Sirs,

We, Mayank Ashar, Managing Director & Chief Executive Officer, and Sudhir Mathur, Chief Financial Officer, of Cairn India Limited hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended 31 March, 2016 and that to the best of our knowledge and belief:
 - i. These statements or figures do not contain any materially untrue statement or omit any material fact or figure or contain statements or figures that might be misleading;
 - ii. These statements or figures together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by Cairn India Limited during the year which are fraudulent, illegal or violative of the Company's Code of Business Ethics.
- c. We are responsible for establishing and maintaining internal controls for financial reporting in Cairn India Limited, and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).

We further declare that all Board members and senior management have affirmed compliance with the Company's Code of Business Ethics for the financial year ended 31 March, 2016.

Mayank Ashar
Managing Director & Chief Executive Officer

Sudhir Mathur
Chief Financial Officer

Date: 22 April, 2016
Place: Gurgaon

CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE

To
The Members of
Cairn India Limited

We have examined the compliance of conditions of corporate governance by Cairn India Limited ('the Company'), for the year ended on March 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants
ICAI Firm Registration Number: 301003E

Per Naman Agarwal

Partner
Membership Number: 502405

Place: Gurgaon
Date: 22 April 2016