Report on Corporate Governance

The corporate governance philosophy of Cairn India Limited ('Cairn India' or 'the Company') is 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.

Board of Directors

COMPOSITION, BOARD PROCEDURE AND INFORMATION SUPPLIED TO THE BOARD

As on 31 March, 2010, the Board comprised 10 Directors, including seven non-executive Directors, four of whom are also independent. In terms of the Securities and Exchange Board of India's (SEBI's) revised Clause 49 of the Listing Agreement, the Company is required to increase the number of independent Directors to at least half the strength of the Board. It is actively engaged in the process of inducting two more independent Directors with requisite expertise. It intends to have half of the Board comprising independent Directors before the end CY 2010.

The Chairman of the Board is a non-executive Promoter Director. All non-executive Directors are renowned professionals, having diversified experience and expertise in finance, economics, oil and gas exploration and general administration.

The Board has three executive Directors, namely Messrs. Rahul Dhir, Indrajit Banerjee and Rick Bott. The executive Directors have been appointed for a term of five years, except Mr Rick Bott, who has a three-year contract.

The composition of the Board as on 31 March, 2010 is given in **Table 1.** None of the Directors is a member of more than 10 Board-level committees of Indian public limited companies; nor are they chairmen of more than five committees in which they are members. Moreover, none of the Directors is related to the other, or to any other employee of the Company.

During the period under review, Mr Philip Tracy ceased to be an alternate Director to Sir William B. B. Gammell effective 26 May, 2009,

1 Composition of the Board
As on 31 March, 2010

S. No.	Name of the Director	Executive/ Non-Executive	No. of other Directorships		Memberships/Chairmanships of Board-level Committees**	
			Indian	Others*	Member	Chairman
1	Sir William B.B. Gammell	Chairman, Non-Executive Director	-	29	-	-
2	Ms Jann Brown	Non-Executive Director	-	41	1	-
3	Mr Malcolm Shaw Thoms	Non-Executive Director	-	26	-	-
4	Mr Aman Mehta	Non-Executive Independent Director	6	4	3	3
5	Mr Naresh Chandra	Non-Executive Independent Director	16	3	9	1
6	Dr Omkar Goswami	Non-Executive Independent Director	11	1	7	2
7	Mr Edward T. Story Jr	Non-Executive Independent Director	-	1	2	-
8	Mr Rahul Dhir	Managing Director and CEO	-	5	1	-
9	Mr Indrajit Banerjee	Executive Director and CFO	-	29	-	-
10	Mr Rick Bott	Executive Director and COO	-	-	-	-

Notes
* Directorships in companies registered in other jurisdictions (listed, unlisted and private limited companies).
** Only the Audit Committee and the Shareholders' / Investors' Grievance Committee of Indian public limited companies have been considered

2	Directors' Attendance Record for year ended 31 March, 2010		
Name	No. of meetings held during the period the Director was on Board	No. of meetings attended	Presence at the last AGM
Sir William B. B. Gammell *	8	7	Yes
Ms Jann Brown*	8	7	Yes
Mr Rahul Dhir	8	8	Yes
Mr Malcolm Shaw Thoms*	8	7	Yes
Mr Aman Mehta	8	8	Yes
Mr Naresh Chandra	8	8	Yes
Dr Omkar Goswami	8	7	Yes
Mr Indrajit Banerjee	8	8	Yes
Mr Rick Bott	8	8	Yes
Mr Edward T. Story Jr*	8	4	No

Note * Also participated in the proceedings of one Board Meeting through audio conference.

and was re-appointed in the same post effective 27 May, 2010.

The Company follows a structured process of decision-making by the Board and its Committees. The meeting dates are usually finalised well before the beginning of the year. Detailed agenda, management reports and other explanatory statements are circulated at least seven days ahead of the meeting. To address specific urgent needs, meetings are also called at shorter notice but never less than a minimum of seven days. In some instances, resolutions are passed by circulation. The Board is also free to recommend inclusion of any matter in the agenda for discussion. Senior management officials are called to provide additional inputs on the matters being discussed by the Board/ Committee.

The Board has complete access to all relevant information of the Company. The quantum and quality of information supplied by the management to the Board goes well beyond the minimum requirement stipulated in Clause 49. All information, except critical price sensitive information (which is handed out at the meetings), is given to the Directors well in advance of the Board and Committee meetings.

NUMBER OF BOARD MEETINGS AND THE ATTENDANCE OF DIRECTORS

During the year ended 31 March, 2010, the Board of Directors met eight times on: 27 May, 2009, 29 July, 2009, 18 August, 2009, 22 October, 2009, 29 October, 2009, 9 December, 2009, 28 January, 2010 and 25 March, 2010. The maximum gap between any two meetings was less than three months.

Table 2 gives the Directors' attendance at Board Meetings and the Annual General Meeting (AGM) during the year ended 31 March, 2010.

DIRECTORS' REMUNERATION

Table 3 lists the remuneration paid or payable to the Directors. The non-executive Directors do not have any material pecuniary relationship or transactions with the Company, other than sitting fees / Directors' remuneration paid / payable to them. The non-executive Directors are eligible for commission up to 1% of net profits as permitted by the Companies Act, 1956 and as approved by shareholders in the annual general meeting held on 20 September, 2007.

During the year under review, 65,845 options were granted to Mr Indrajit Banerjee under the Cairn India Performance Option Plan, 2006 (CIPOP). These were granted on the basis of his

performance in contributing to business results, organisational strength and market position of the Company and criticality of the role assigned. The vesting period is minimum three years, subject to the fulfilment of performance conditions in the Plan. The exercise period is three months from the date of vesting of options.

In addition, 155,341 cash options were granted to Mr Rick Bott under the Phantom Performance Option Plan.

No options were exercised by the executive Directors during the year under review.

SHAREHOLDING OF NON-EXECUTIVE OR INDEPENDENT DIRECTORS

Sir William B. B. Gammell, Ms Jann Brown and Mr Malcolm Shaw Thoms, who are non-executive Directors of the Company, hold one equity share each in the Company as nominees of Cairn UK Holdings Limited. Apart from this, none of the non-executive or independent Directors holds any equity shares or convertible instruments of the Company.

CODE OF CONDUCT

The Board of Directors has laid down a 'Code of Business Ethics' which is applicable to everyone in the Cairn India Group including employees, contractors and Directors. Details of the Code are available at www.cairnindia.com. All Directors and senior management have affirmed compliance with the Code for the year ended 31 March, 2010.

COMMITTEES OF THE BOARD

Audit committee

The Company has an adequately qualified Audit Committee. As on 31 March, 2010, the Committee comprised five non-executive Directors: Mr Aman Mehta (Chairman), Mr Naresh Chandra, Ms Jann Brown, Dr Omkar Goswami and Mr Edward T. Story. Four of the five members are independent. All members have the financial knowledge and expertise mandated by Clause 49 of the Listing Agreement. The current charter of the Audit Committee is in line with international best practices as well as the regulatory requirements mandated by SEBI and Clause 49 of the Listing Agreement.

Mr Indrajit Banerjee, Executive Director and CFO, Mr Raj Agarwal, Partner, S. R. Batliboi and Co., and Mr Raman Sobti, Director, KPMG, are invitees to the meetings of the Audit Committee. Ms Neerja Sharma, Company Secretary is the Secretary to the Committee. During the year ended 31 March, 2010, the Audit Committee met five times: on 27 May, 2009, 29 July, 2009, 29 October, 2009, 28 January, 2010 and 25 March, 2010. The attendance record of the Audit Committee is given in **Table 4.** Mr Aman Mehta, Chairman of the Audit Committee, was present at the Company's last AGM held on 18 August, 2009.

Shareholders' / Investors' Grievance Committee

As on 31 March, 2010, the Committee comprised three Directors: Dr Omkar Goswami (Chairman), Mr Edward T. Story and Mr Rahul Dhir. Mr Story was co-opted to the Committee as a member in place of Mr Naresh Chandra with effect from 29 October, 2009.

The Chairman of the committee is an independent Director. Ms Neerja Sharma, Company

3 Directors' Remuneration
For the year ended 31 March, 2010 (in INR)

Name	Salary	Perquisites	Bonus & Performance incentives	Retirement Benefits	Commission	Sitting Fee	Total
Sir William B. B. Gammell	-	-	-	-	-	-	**-**
Ms Jann Brown	-	-	-	-	-	-	**-**
Mr Rahul Dhir[1]	34,995,023	67,616,900	28,812,876	4,201,892	-	-	**135,626,691**
Mr Indrajit Banerjee[2]	13,207,800	-	12,644,829	1,425,612	-	-	**27,278,241**
Mr Rick Bott[3]	23,969,235	68,736,308	6,497,197	2,887,725	-	-	**102,090,465**
Mr Malcolm Shaw Thoms	-	-	-	-	-	-	**-**
Mr Aman Mehta[4]	-	-	-	-	-	340,000	**340,000**
Mr Naresh Chandra[4]	-	-	-	-	-	340,000	**340,000**
Dr Omkar Goswami[4]	-	-	-	-	-	320,000	**320,000**
Mr Edward T. Story Jr	-	-	-	-	-	160,000	**160,000**

Notes
[1] Mr Rahul Dhir's salary as stated above includes salary from Cairn Energy India Pty Limited of INR 133,226,691
[2] Mr Indrajit Banerjee's salary as stated above includes salary from Cairn Energy India Pty Limited of INR 25,478,241. He was also paid an ex-gratia amount of INR 25,478,362.
[3] Mr Rick Bott's salary as stated above includes salary from Cairn Energy India Pty Limited of INR 100,890,465. He was also paid a milestone linked bonus of INR 62,653,500.
[4] Mr Aman Mehta, Dr Omkar Goswami and Mr Naresh Chandra were paid a remuneration of INR 586,375 each from Cairn Energy Holdings Limited, Cairn Energy Hydrocarbons Limited & Cairn Energy Asia Pty Limited, respectively, in their capacity as directors in these subsidiary companies.

4 Attendance Record of Audit Committee
For the year ended 31 March, 2010

Name	Position	Status	No. of meetings held during the period the Director was a Member of the Committee	No. of meetings attended
Mr Aman Mehta	Independent Director	Chairman	5	5
Mr Naresh Chandra	Independent Director	Member	5	5
Dr Omkar Goswami	Independent Director	Member	5	4
Ms Jann Brown	Non-executive Director	Member	5	5
Mr Edward T Story	Independent Director	Member	5	4

5 Complaints Received and Attended
During the year ended 31 March, 2010

Nature of Complaint	No. of Complaints		
	Received	Attended	Pending
Non-receipt of refund orders / revalidation / demat credit	23	23	NIL
Referred by SEBI	10	10	NIL
Referred by Stock Exchanges	-	-	NIL
Received from investors	44	44	NIL
Non-receipt of the Annual Report	11	11	NIL
Total	**88**	**88**	**NIL**

Secretary, is the Compliance Officer of the Company and the Secretary of the Committee. The Committee met once during the financial year on 25 March, 2010. Dr Omkar Goswami and Mr Rahul Dhir attended the said meeting. The Company has appointed Link Intime India Private Limited as the Registrar and Transfer Agent to handle 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 complaints received during the 12-month period ended 31 March, 2010 by the Registrar and Share Transfer Agent is given in **Table 5**.

Remuneration Committee

The Board has a Remuneration Committee to make recommendations to the Board as to the Company's framework or broad policy for the remuneration of the executive Directors and senior executives one level below the Board. As on 31 March, 2010, the Remuneration Committee comprised five non-executive Directors: Mr Naresh Chandra (Chairman), Sir William B.B. Gammell, Mr Malcolm Shaw Thoms, Mr Aman Mehta and Dr Omkar Goswami. Three of these members were independent Directors. Ms Neerja Sharma, Company Secretary, is the Secretary to the Committee.

The objective of the Company's remuneration policy is to ensure that Cairn India's executive Directors and senior executives are sufficiently incentivised for enhanced performance. In determining this policy, the Committee takes 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. It ensures that levels of remuneration are sufficient to attract and retain senior executives of the quality required to run the Company successfully.

Within the terms of the agreed policy, the Committee determines the entire individual remuneration packages for the executive Directors. The Committee is also responsible for overseeing the Company's share option schemes and long term incentive plans, including determining the eligibility for benefits and approving total annual payments.

During the year ended 31 March, 2010, four meetings of the Remuneration Committee were held: on 27 May, 2009, 29 July, 2009, 29 October, 2009 and 25 March, 2010. The attendance record of the Remuneration Committee is given in **Table 6**.

Nomination Committee

As on 31 March, 2010, the Nomination Committee comprised five Directors: Sir William B.B. Gammell (Chairman), Mr Rahul Dhir, Ms Jann Brown, Mr Malcolm Shaw Thoms and Mr Edward T. Story.

The functions of the Nomination Committee are:

- Reviewing the structure, size and composition of the Board, and make 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 role and capabilities required for particular appointments.

- Identifying and nominating, for the approval of the Board, appropriate individuals to fill Board vacancies as and when they arise.
- Reviewing time required from each non-executive Director, and assessing whether s(he) has given sufficient commitment to the role.
- Considering succession planning taking into account the challenges and opportunities facing 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, committee

6 Attendance Record of Remuneration Committee

For the year ended 31 March, 2010

Name	Position	Status	No. of meetings held	No. of meetings attended
Mr Naresh Chandra	Independent Director	Chairman	4	4
Sir William B.B. Gammell	Non-Executive Director	Member	4	4
Dr Omkar Goswami	Independent Director	Member	4	4
Mr Aman Mehta	Independent Director	Member	4	4
Mr Malcolm Shaw Thoms	Non-Executive Director	Member	4	4

7 Details of Directorship and Committee Positions held in other Companies

S. No.	Name of Director	Name of the Company in which Directorship held	Committee Chairmanship*	Committee Membership*
1	Mr Rahul Dhir	Cairn India Holdings Limited		
		CIG Mauritius Holding Pvt. Ltd.		
		CIG Mauritius Pvt. Ltd.		
		Cairn Lanka (Pvt.) Ltd.		
		Sunborne Energy Holdings LLC		
2	Mr Indrajit Banerjee	Cairn Energy Holdings Limited		
		Cairn Energy Hydrocarbons Limited		
		Cairn Exploration (No. 2) Limited		
		Cairn Exploration (No. 4) Limited		
		Cairn Exploration (No. 6) Limited		
		Cairn Exploration (No. 7) Limited		
		Cairn Energy Gujarat Block 1 Limited		
		Cairn Energy Discovery Limited		
		Cairn Petroleum India Limited		
		Cairn Energy Cambay B.V.		
		Cairn Energy India West B.V.		
		Cairn Energy Gujarat B.V.		
		Cairn Energy India Holdings B.V.		
		Cairn Energy Group Holdings B.V.		
		Cairn Energy Netherlands Holdings B.V.		
		Cairn Energy Gujarat Holding B.V.		
		Cairn Energy India West Holding B.V.		
		Cairn Energy Cambay Holding B.V.		
		Cairn Energy Australia Pty Limited		
		CEH Australia Limited		
		Cairn Energy Asia Pty Limited		
		Cairn Energy Investments Australia Pty Limited		
		Wessington Investments Pty Limited		
		Sydney Oil Company Pty Limited		
		Cairn Energy India Pty Limited		
		CEH Australia Pty Limited		
		CIG Mauritius Holding Pvt. Ltd.		
		CIG Mauritius Private Limited		
		Cairn Lanka (Pvt.) Limited		

Note * Only Audit and Shareholders'/Investors' Grievance Committees included

service and involvement outside Board meetings.

Management

MANAGEMENT DISCUSSION AND ANALYSIS

This Annual Report has a detailed chapter on Management Discussion and Analysis.

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. 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 Management, their associates or their relatives etc. that either had or could have had a conflict with the interest of the Company at large.

There were no penalties or strictures imposed on the Company by the stock exchange, the SEBI or any statutory authority on any matter related to capital markets, during the last three years.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for its management and staff. The Code lays down guidelines which advise management and staff on procedures to be followed and disclosures to be made while dealing with shares of the Company, and cautions them on the consequences of violations.

RISK MANAGEMENT

Cairn India follows well-established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Board.

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, 2010 is enclosed at the end of this chapter.

SUBSIDIARY COMPANIES

All subsidiaries of the Company are unlisted wholly owned foreign companies. These subsidiaries have their own Board of Directors having the rights and obligations to manage such companies in best interest of the Company.

The Company has its representatives on the Boards of subsidiary companies and regularly monitors the performance of such companies.

Shareholders

DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Brief profiles of the persons sought to be appointed / re-appointed as Directors at the ensuing AGM of the Company are given below.

Mr Rahul Dhir

Mr Rahul Dhir, 44, joined Cairn India in May 2006 as the Chief Executive Officer and was appointed the Managing Director on 22 August, 2006. He completed his degree in Bachelor of Technology from the Indian Institute of Technology, Delhi. He went on to complete his M.Sc from the University of Texas at Austin and MBA from the Wharton Business School in Pennsylvania. Mr Dhir started his career as an oil and gas reservoir engineer before moving into investment banking. He has worked at SBC Warburg, Morgan Stanley and Merrill Lynch. Before joining Cairn India, he was the Managing Director and Co-Head of Energy and Power Investment Banking at Merrill Lynch.

Mr Indrajit Banerjee

Mr Indrajit Banerjee, 54,was appointed as an Additional Director on 26 February, 2007 and as the Executive Director and Chief Financial Officer on 1 March, 2007. He graduated from the University of Calcutta with a Bachelor's Degree in Commerce. An associate member of the Institute of Chartered Accountants of India, Mr Banerjee started his career at PriceWaterhouse Coopers in Calcutta in 1979. He has held several senior positions throughout his career, including 17 years at the Indian Aluminium Company, formerly part of the Alcan Group and at Lucent Technologies (India). Before joining Cairn India, he was President-Finance and Planning at Lupin Limited.

The directorships and committee positions held by these two Directors as on 31 March, 2010 are detailed in **Table 7**.

MEANS OF COMMUNICATION

Financial Results

The Company intimates un-audited as well as 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: www.cairnindia.com and posted on the corporate filing and dissemination system at www.corpfiling.co.in.

News Releases, Analyst Presentation, etc.

Official news releases, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website: www.cairnindia.com.

Website

The Company's website (www.cairnindia.com) contains a separate dedicated section 'Investor Relations' where shareholders information is available. The full Annual Report, shareholding pattern and Corporate Governance Report is also available on the website.

GENERAL BODY MEETINGS

The Company in its brief history has had three AGMs and four Extraordinary General Meetings (EGMs). The forthcoming AGM is scheduled to take place on 15 September, 2010. The desired details in respect of general meetings are given in **Table 8**.

SPECIAL RESOLUTIONS PASSED IN THE LAST THREE YEARS

At AGMs

At the AGMs held on 20 September, 2007 and 25 June, 2008, the following special resolutions were passed:

20 September, 2007

- Keeping register of members and other related documents
- Consent of shareholders for issue of further securities
- Payment of commission to non-executive Directors

25 June, 2008

- Keeping register of members and other related documents

At EGMs

At the EGMs held on 8 September, 2006, 21 September, 2006, 17 November, 2006 and 16 April, 2008, the following special resolutions were passed:

8 September, 2006

- Investment in shares of Cairn India Holdings Limited

21 September, 2006

- Amendment in the memorandum of association of the Company
- Amendment in the articles of association of the Company
- Appointment of non-retiring Directors
- Issue of equity shares of the Company on a private placement basis
- Issue of equity shares of the Company by an initial public offering
- Increase in the limit of foreign institutional investment in the Company
- Investment in the shares of Cairn India Holdings Limited

17 November, 2006

- Appointment of Chief Executive Officer of the Company
- Employee stock option plans
- Amendment in the articles of association of the Company
- Remuneration of non-executive Directors

8 Location and time of general meetings

Financial Year	Location of the meeting	Date	Time
AGMs			
2006	Birla Matushri Sabhagar, 19 New Marine Lines, Mumbai	20 September, 2007	11:00 AM
2007	Birla Matushri Sabhagar, 19 New Marine Lines, Mumbai	25 June, 2008	11:00 AM
2008-09	Birla Matushri Sabhagar, 19 New Marine Lines, Mumbai	18 August, 2009	11:00 AM
EGMs			
2006	50 Lothian Road, Edinburgh	08 September, 2006	03.00 PM
2006	50 Lothian Road, Edinburgh	21 September, 2006	02.00 PM
2006	50 Lothian Road, Edinburgh	17 November, 2006	02.15 PM
2008	Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai	16 April, 2008	02.30 PM

16 April, 2008

- Allotment of the equity shares of the Company on preferential basis

RESOLUTIONS PASSED THROUGH POSTAL BALLOT LAST YEAR

During the year under review, the Company passed two resolutions through postal ballot, as per the details provided below:

1. Special resolution for shifting of registered office from the State of Maharashtra to the State of Rajasthan

All members on the books as of 29 May, 2009 were sent a postal ballot form along with postage pre-paid business reply envelope. All replies received up to close of working hours on 11 July, 2009 were considered. All postal ballot forms were kept in the control of the scrutiniser, Mr Sunil K Grover, a practicing Company Secretary. The postal ballots were opened on 12 July, 2009 under the scrutiny of Mr Grover, and the result of postal ballot was declared by the Chairman of the proceedings on 17 July, 2009 at registered office of the Company. **Table 9.1** shows the details of the voting pattern.

2. Special resolution for utilisation of the share premium account, not exceeding INR 15,000 crore, of the Company to adjust the goodwill arising pursuant to the Scheme of Arrangement between Cairn India Limited, Cairn Energy India Pty Limited, Cairn Energy India West B.V., Cairn Energy Cambay B.V. and Cairn Energy Gujarat B.V. and their respective shareholders & creditors.

All members on the books as of 8 January, 2010 were sent a postal ballot form along with postage pre-paid business reply envelope. All replies received up to close of working hours on 24 February, 2010 were considered. All postal ballot forms were kept in the control of the scrutiniser, Mr Nesar Ahmad, a practising Company Secretary. The postal ballots were opened on 25 February, 2010 under the scrutiny of Mr Ahmad, and the result of postal ballot was declared by the Chairman of the proceedings on 2 March, 2010 at the registered office of the Company. **Table 9.2** shows the details of the voting pattern.

COMPLIANCE WITH CLAUSE 49

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49 except with respect to composition of the Board as stated earlier in this chapter, which it intends to comply with fully in the course of CY 2010.

Non-Mandatory Requirements

Remuneration Committee — The Board has constituted a Remuneration Committee, details of which have been given earlier.

Audit qualifications — The Company's financial statements are free from any qualifications by the Auditors.

Training of Board Members — The Board of Directors is periodically updated on the business model, company profile, and the risk profile of the business parameters of the Company.

Whistleblower Policy — During the year under review, the Company formulated and adopted a Whistleblower Policy, to support the Code of Business Ethics. The policy is designed to enable employees, directors, consultants and contractors to raise concerns internally at a significantly senior level and to disclose information which the individual believes, shows malpractice or wrongdoing which could affect the business or reputation of the Company. Any allegations that fall within the scope of the concerns identified are investigated and dealt with appropriately.

9.1	Voting Result of Special Resolution passed through Postal Ballot
Number of valid postal ballot forms received	8,432
Votes in favour of the resolution	1,468,110,709
Votes against the resolution	68,855
Resolution passed by % of valid votes received	99.99

9.2	Voting Result of Special Resolution passed through Postal Ballot
Number of valid postal ballot forms received	6,218
Votes in favour of the resolution	577,867,631
Votes against the resolution	40,909
Resolution passed by % of valid votes received	99.70

Additional Shareholder Information

ANNUAL GENERAL MEETING

Date 15 September, 2010
Time 11:00 AM
Venue:Rangsharda Auditorium,
K C Marg, Bandra Reclamation,
Bandra West, Mumbai-400050

FINANCIAL CALENDAR

For the year ended 31 March, 2010, results were announced on

- 29 July, 2009: First quarter
- 29 October, 2009: Second quarter
- 28 January,2010 : Third quarter
- 27 May, 2010 :Fourth (last) quarter and the financial year's results

For the year ending 31 March, 2011, results will be announced by

- Last week of July 2010: First quarter
- Last week of October 2010: Half yearly
- Last week of January 2011: Third quarter
- Last week of May 2011: Fourth quarter and full financial year's results.

BOOK CLOSURE

The dates of book closure are from Wednesday, 8 September, 2010 to Wednesday, 15 September, 2010, inclusive of both days.

LISTING

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The annual listing fee for the financial year 2010-11 has been paid to BSE and NSE. The stock codes are given in **Table 1** below.

MARKET PRICE DATA

Table 2 and **Chart A** give the details.

DISTRIBUTION OF SHAREHOLDING

Tables 3 and 4 list the distribution of the Shareholding and Shareholding pattern of the Company by size and by ownership class as on 31 March, 2010. Further details of top twenty shareholders are given in **Table 5**.

1 Stock Exchange codes

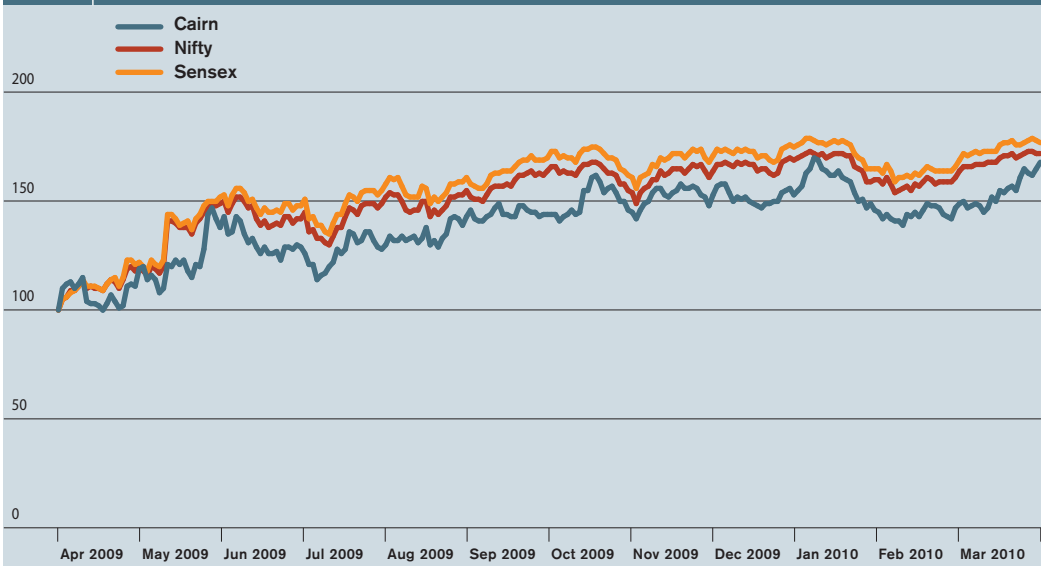
Name of the Stock Exchange	Stock Code
The National Stock Exchange of India	CAIRN
Bombay Stock Exchange Limited	532792

2 High, Low and Volume of Company's Shares traded

During the year ended 31 March, 2010 at the BSE and the NSE

Months	BSE			NSE		
	High	Low	No. of Shares traded	High	Low	No. of Shares traded
April 2009	214.0	178.5	13,869,825	211.6	178.5	71,683,250
May 2009	239.9	192.0	49,252,984	240.5	190.5	164,417,628
June 2009	273.7	220.0	31,626,399	274.0	220.1	144,248,354
July 2009	252.0	201.0	17,376,062	252.0	200.6	79,285,187
August 2009	272.5	230.0	17,168,054	272.5	232.1	64,997,559
September 2009	275.25	253.5	11,576,332	275.5	253.2	55,393,930
October 2009	301.45	253.25	12,239,989	301.0	252.6	55,763,961
November 2009	288.0	254.0	7,365,798	288.9	254.2	37,112,191
December 2009	294.9	265.7	7,828,273	300.1	266.1	39,358,739
January 2010	310.0	258.3	10,288,360	310.0	258.0	59,917,270
February 2010	273.4	248.0	7,718,586	274.0	248.1	46,265,139
March 2010	307.8	261.9	9,884,708	307.6	261.4	62,073,392

Chart A Share Performance vs Nifty and Sensex



Note Share prices, Nifty and Sensex indexed to 100 as on the first working day of the financial year 2009-10, i.e.1 April, 2009

3 Distribution of Shareholding
As on 31 March, 2010

Number of Shares	No of Shareholders	% of Shareholders	Total Shares	% of Shares
Up to 5,000	243,914	99.55	41,283,100	2.18
5,001-10,000	360	0.15	2,608,352	0.14
10,001-20,000	173	0.07	2,423,262	0.13
20,001-30,000	87	0.03	2,181,380	0.11
30,001-40,000	52	0.02	1,804,181	0.09
40,001-50,000	37	0.01	1,688,050	0.09
50,001-100,000	90	0.04	6,500,488	0.34
100,001 and above	309	0.13	1,838,485,319	96.92
Total	**245,022**	**100**	**1,896,974,132**	**100**

4 Shareholding Pattern by Ownership
As on 31 March, 2010

		No. of Equity Shares Face Value INR 10/- Each	Shares Held (%)
A. PROMOTER HOLDING			
Indian Promoters		-	-
Foreign Promoters		1,183,243,791	62.38
Persons acting in concert		-	-
B. NON-PROMOTER HOLDING			
A	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	90,434,695	4.77
B	Foreign Institutional Investors	194,051,172	10.23
C	Public	43,757,767	2.31
D	Mutual Funds	53,758,180	2.83
E	NRI (Repatriable)	1,069,150	0.05
F	NRI (Non-Repatriable)	380,995	0.02
G	Bodies Corporate	35,457,071	1.87
H	Foreign Bodies Corporate	290,481,473	15.31
I	Clearing Member	1,536,702	0.08
J	Directors/relatives	2,776,156	0.15
K	Trusts	26,980	-
Grand Total		**1,896,974,132**	**100.00**

DEMATERIALISATION OF SHARES

As on 31 March, 2010, over 99.99% shares of the Company were held in dematerialised form. The shares of the Company are permitted to be traded only in dematerialised form under ISIN INE910H01017.

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, 2010 are given in **Table 6**.

DETAILS OF FUNDING OBTAINED IN THE LAST THREE YEARS

The Company's Initial Public Offering (IPO) of 328,799,675 equity shares, which closed on 15 December, 2006, was fully subscribed aggregating INR 52,608 million at the issue price of INR 160. The Company also placed INR 33,547 million through a pre-IPO placement and exercised its Green Shoe Option for 13,085,041 shares. The total proceeds aggregated INR 88,249 million.

The Company made a preferential issue of 113,000,000 equity shares to Petronas International Corporation Ltd and Orient Global Tamarind Fund Pte Ltd. amounting to INR 25,345.9 million on 22 April, 2008. The shares were issued at a premium of INR 214.30 per share.

During the year under review, the Company has received INR 20,363,110 as subscription amount, pursuant to exercise of stock options granted to employees.

During the financial year ended 31 March, 2010, the Company borrowed USD 750 million from a consortium of overseas commercial banks led by Standard Chartered and International Finance Corporation. Further, a domestic

5 Top Twenty Shareholders

As on 31 March, 2010

S.No.	Name	No. of Equity Shares	Shares Held (%)
1	Cairn UK Holdings Limited	1,183,243,785	62.38
2	Petronas International Corporation Limited	283,431,438	14.94
3	Life Insurance Corporation of India	46,672,794	2.46
4	LIC of India - Market Plus	14,271,145	0.75
5	Europacific Growth Fund	12,812,190	0.68
6	LIC of India Market Plus – 1	12,154,468	0.64
7	Merrill Lynch International Investment Fund	11,745,952	0.62
8	ICICI Prudential Life Insurance Company Ltd	10,359,774	0.55
9	International Finance Corporation	7,050,035	0.37
10	Schroder International Selection Fund Emerging Asia	6,751,530	0.36
11	New World Fund Inc	6,587,000	0.35
12	Barclays Capital Mauritius Limited	5,702,763	0.30
13	PRU India Equity Open Limited	5,663,234	0.30
14	Norges Bank A/C Government Petroleum Fund	5,556,960	0.30
15	State Bank of India (Equity)	5,222,170	0.28
16	LIC of India Money Plus	5,211,809	0.27
17	Franklin Templeton Investment Funds	4,554,429	0.24
18	Metlife India Insurance Company Limited	4,377,029	0.23
19	Societe Generale	4,144,345	0.22
20	SBI Life Insurance Co. Limited	4,126,623	0.22

6 Outstanding ESOPs

ESOP Scheme	No. of outstanding options	Last date for exercise	Exercise Price (INR)
CIESOP	1,981,770	31 December, 2016	160.00
	3,915,607	19 September, 2017	166.95
	3,502,555	28 July, 2018	227.00
	18,388	9 December, 2018	143.00
	5,227,889	28 July, 2019	240.05
CIPOP*	168,382	31 March, 2010	10.00
	777,496	19 December, 2010	10.00
	714,237	28 October, 2011	10.00
	966,715	28 October, 2012	10.00
CISMP	2,238,077	18 months after the vesting date, which will occur on Company achieving 30 days' consecutive production of over 150,000 bopd from the Rajasthan Block	33.70
Total	**19,511,116**		

Note * The vesting period is a minimum of three years, subject to the fulfilment of performance conditions as defined in the Plan. The exercise period is three months from the date of vesting of options. The last date of exercise in case of CIPOP is considered on the assumption that the options shall vest after three years of their grant. If all the outstanding stock options granted get vested and exercised, the number of equity shares will increase by 19,511,116.

7 Status of Equity Shares lying in the Suspense Account

S. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1 April, 2009	72	12,495
3	No. of shareholders who approached for transfer of shares from suspense account during the 12 months period ended 31 March, 2010	15	2,135
4	No. of shareholders to whom shares were transferred from suspense account during the 12 months period ended 31 March, 2010	15	2,135
5	Aggregate number of shareholders and the outstanding shares in the suspense account as on 31 March, 2010	57	10,360

borrowing of INR 4,000 crore was also underwritten by SBI, who had syndicated the facility to other banks and financial institutions.

SHARE SUSPENSE ACCOUNT

Following Clause 5A of the Listing Agreement, the status of the equity shares lying in the Suspense Account is given in Table 7.

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 the SEBI. The Company has a Shareholders'/Investors' Grievance Committee for redressing the complaints/queries of shareholders and investors.

ADDRESS FOR INVESTOR CORRESPONDENCE

Either

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

The Company Secretary
Cairn India Limited
4th Floor, Vipul Plaza, Sun City, Sector 54
Gurgaon 122 002, India.

E-Mail investor.complaints@cairnindia.com
Tel +91 124 2703000
Fax +91 124 2889320

Investors can e-mail their queries/complaints to investor.complaints@cairnindia.com. The weblink to this E-Mail ID is also available on Company's website www.cairnindia.com under the 'Investor Relations' section.

INVESTOR RELATIONS

The Company has a dedicated Shares Investor Relations Department which helps investors, including FIIs and institutional investors, in making informed decisions. This team also maintains close liaison with investors and shares information through periodic meetings including teleconferencing in India and abroad, regular press meeting with investment bankers, research analysts, the media, institutional investors etc. The 'Investor Relations' section on the Company's website (www.cairnindia.com) updates information sought by investors and analysts. It provides the latest information on financial statements, investor-related events and presentations, annual reports and shareholding pattern along with media releases and the current Company overview, and thus helps existing and potential investors to interact with the Company.

OPERATIONAL LOCATIONS

The Company's oil and gas fields are located at:

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

REGISTERED OFFICE ADDRESS

Cairn India Limited
101, West View,
Veer Savarkar Marg,
Prabhadevi, Mumbai- 400 025

Tel +91 22 24338306
Fax +91 22 24311160

CERTIFICATE OF THE CEO & CFO

THE BOARD OF DIRECTORS

Cairn India Limited
101, West View,
Veer Savarkar Marg,
Prabhadevi, Mumbai- 400 025

Dear Sirs,
We, Rahul Dhir, Chief Executive Officer, and Indrajit Banerjee, 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, 2010 and that to the best of our knowledge and belief:
   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. These statements 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, 2010.

Rahul Dhir
Managing Director & CEO

Indrajit Banerjee
Executive Director & CFO

Date 27 May, 2010
Place Gurgaon

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 31 March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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, subject to the fact that the proportion of the independent directors to the total strength of the Board being 40% is less than the minimum prescribed limit of 50%, the Chairman of the Board being related to the promoter of the Company in terms of clarification dated 23 October, 2008 issued by the Securities Exchange Board of India, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 & ASSOCIATES**
Firm registration number: 101049W
Chartered Accountants

per **Sanjay Vij**, Partner
Membership No.: 95169

Place Gurgaon
Date 27 May, 2010