

**CORPORATE
GOVERNANCE**
СОЛЕВИАИСЕ
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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.

REPORT ON CORPORATE GOVERNANCE

BOARD OF DIRECTORS

COMPOSITION, BOARD PROCEDURE AND INFORMATION SUPPLIED TO THE BOARD

As on 31 March, 2013, the Board comprised 8 Directors, including seven non-executive Directors, four of whom are also independent.

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

The composition of the Board as on 31 March, 2013 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. Further, none of the Directors is related to the other, 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. During the period under review, the following changes were made in the composition of the Board:

- Mr. Rahul Dhir resigned as Managing Director and Chief Executive Officer effective 31 August, 2012.
- Mr. P. Elango was appointed as interim CEO of the Company effective 1 September, 2012 and was appointed as additional and Whole Time Director by the Board of Directors on 21 January, 2013.

1 Composition of the Board
As on 31 March, 2013

S. No.	Name	Executive/Non-Executive	No. of other Directorships		Memberships/Chairmanships of Board-level Committees**	
			Indian	Others*	Member	Chairman
1	Mr. Navin Agarwal	Chairman, Non-Executive Director	6	5	2	-
2	Mr. Tarun Jain	Non-Executive Director	3	4	4	-
3	Ms. Priya Agarwal	Non-Executive Director	-	-	-	-
4	Mr. Aman Mehta	Non-Executive Independent Director	5	2	3	3
5	Mr. Naresh Chandra	Non-Executive Independent Director	11	4	8	1
6	Dr. Omkar Goswami	Non-Executive Independent Director	10	2	6	4
7	Mr. Edward T. Story	Non-Executive Independent Director	-	3	2	-
8	Mr. P. Elango ¹	Interim CEO and Whole Time Director	-	15	-	-

* Directorships in private limited companies, foreign companies and companies under section 25 of the Companies Act, 1956.

** Only the Audit Committee and the Shareholders' / Investors' Grievance Committee of Indian public limited companies have been considered.

1. Appointed as Whole Time Director on 21 January, 2013

2 Directors' Attendance Record

For year ended 31 March, 2013

Name	No. of meetings held during the period the Director was on Board	No. of meetings attended*	Presence at the last AGM
Mr. Navin Agarwal	5	5	Yes
Mr. Tarun Jain	5	5	Yes
Ms. Priya Agarwal	5	3	Yes
Mr. Aman Mehta	5	5	Yes
Mr. Naresh Chandra	5	5	Yes
Dr. Omkar Goswami	5	4	Yes
Mr. Edward T. Story	5	3	No
Mr. P. Elango ¹	-	-	NA
Mr. Rahul Dhir ²	2	2	Yes

* Video/ tele conferencing facilities are provided to Directors to participate in the meetings, whenever required.

1. Appointed as Whole Time Director on 21 January, 2013.

2. Resigned from the Board effective 31 August, 2012.

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 also passed by circulation. These are often preceded by Board discussions through audio conference. The Board is also free to recommend inclusion of any matter in the agenda for discussion. Senior management officials are often called to provide additional inputs on the matters being discussed by the Board/ Committee.

The Board has complete access to all the 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.

BOARD SUPPORT

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 Meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises/ assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings. Further, the process for the Board/ Committee meetings provides an effective post meeting follow up, review and reporting process for the action taken on decisions/ instructions/ directions of the Board and its Committees. As per Board's decision, the Company Secretary intimates the action points arising out of the deliberations during the meeting to the concerned functional heads who in turn provide updates to the Board at the next meeting.

The process for the Board/ Committee meetings provides an effective post meeting follow up, review and reporting process for the action taken on decisions/ instructions/ directions of the Board and its Committees.

3 Directors' Remuneration
For the year ended 31 March, 2013 (in INR Lacs)

Name	Salary	Perquisites	Bonus & Performance incentives	Retirement Benefits	Commission	Sitting Fee	Total
Mr. Navin Agarwal	-	-	-	-	-	1.40	1.40
Mr. Tarun Jain	-	-	-	-	-	2.40	2.40
Ms. Priya Agarwal	-	-	-	-	-	0.40	0.40
Mr. Aman Mehta	-	-	-	-	36.00	2.60	38.60
Mr. Naresh Chandra	-	-	-	-	36.00	2.60	38.60
Dr. Omkar Goswami	-	-	-	-	36.00	2.80	38.80
Mr. Edward T. Story	-	-	-	-	36.00	1.20	37.20
Mr. P Elango	30.87	2.72	-	4.09	-	-	37.68
Mr. Rahul Dhir	438.47	607.71	640.94	20.10	-	-	1,707.22

- Notes:
1. Mr. P Elango and Mr. Rahul Dhir's remunerations details are for the period during the time they were on the Board.
 2. Mr Rahul Dhir's salary as stated above includes salary of INR 1,697.22 lacs from Cairn Energy India Pty Limited.
 3. Mr. Aman Mehta, Dr. Omkar Goswami and Mr. Naresh Chandra were paid a remuneration of INR 34.50 lacs each from Cairn Energy Holdings Limited, Cairn Energy Hydrocarbons Limited and Cairn Energy Asia Pty Limited, respectively, in their capacity as Directors of the subsidiary companies till 30 September, 2012.

4 Attendance Record of Audit Committee
For the year ended 31 March, 2013

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	4	4
Mr. Naresh Chandra	Independent Director	Member	4	4
Dr. Omkar Goswami	Independent Director	Member	4	4
Mr. Tarun Jain	Non- Executive Director	Member	4	4
Mr. Edward T Story	Independent Director	Member	4	3

* Video/ tele conferencing facilities are provided to Directors to participate in the meetings, whenever required.

NUMBER OF BOARD MEETINGS AND THE ATTENDANCE OF DIRECTORS

During the year ended 31 March, 2013, the Board of Directors met five times on: 20 April, 2012, 23 July, 2012, 22 October, 2012, 31 October, 2012 and 21 January, 2013. The maximum gap between any two meetings was less than four months.

Table 2 gives the Directors' attendance at board meetings and the Annual General Meeting (AGM) during the year ended 31 March, 2013.

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 18 August, 2011.

During the year under review, 35,455 stock options were granted to Mr. P. Elango, interim CEO & Whole Time Director. He also exercised 27,081 stock options during the year.

SHAREHOLDING OF NON-EXECUTIVE OR INDEPENDENT DIRECTORS

None of the non-executive or independent Directors hold any equity shares or convertible instruments of the Company.

Behaving honestly, fairly and with integrity is at the core of CIG's business principles and is considered to be central to all of Cairn's interactions with stakeholders

CODE OF CONDUCT

During the year under review, the Company made changes to its Code of Business Ethics (Code) to bring it in line with the current best practices, make it more robust and to strengthen it in line with Cairn India business principles. The revised Code was approved by the Board. The Code is applicable to everyone in the Company and its subsidiaries including employees, contractors and Directors. Details of the Code are available at www.cairnindia.com. All Directors and employees including senior management have affirmed compliance with the Code for the year ended 31 March, 2013.

COMMITTEES OF THE BOARD

Audit committee

The Company has an adequately qualified Audit Committee. As on 31 March, 2013, the Committee comprised five non-executive Directors: Mr. Aman Mehta (Chairman), Mr. Naresh Chandra, Mr. Tarun Jain, 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. Sudhir Mathur, CFO, Mr. Raj Agarwal, Partner, S. R. Batliboi & Co. LLP, and Mr. Arup Chakraborty, Chief Internal Auditor of the Company are invitees to the meetings of the Audit Committee. Ms. Neerja Sharma, Director - Risk Assurance & Company Secretary is the Secretary to the Committee. During the year ended 31 March, 2013, the Audit Committee met four times: on 20 April, 2012, 23 July, 2012, 22 October, 2012 and 21 January, 2013. 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 22 August, 2012.

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.



5 Attendance Record of Shareholders'/ Investors' Grievance Committee
For the year ended 31 March, 2013

Name	Position	Status	No. of meetings held during the period the Director was a member of the Committee	No. of meetings attended*
Dr. Omkar Goswami	Independent Director	Chairman	2	2
Mr. Edward T Story	Independent Director	Member	2	-
Mr. Tarun Jain	Non- Executive Director	Member	2	2
Mr. Rahul Dhir ¹	Managing Director & CEO	Member	1	-

* Video/ tele conferencing facilities are provided to Directors to participate in the meetings, whenever required.

1. Resigned from the Board with effect from 31 August, 2012.

6 Queries and Complaints Received and Attended
During the year ended 31 March, 2013

Nature of Query/Complaint	No. of Queries/Complaints		
	Received	Attended	Pending
Non-Receipt of refund orders / Dividend revalidation	318	318	Nil
Referred by SEBI	8	7	1
Referred by Stock Exchanges	4	4	Nil
Received from Investors	115	115	Nil
Referred by RBI/Ministry of Company Affairs	1	1	Nil
Non-receipt of Demat Credit	7	7	Nil
Non-receipt of the Annual Report	5	5	Nil
Total	458	457	1*

*Complaint received on 31 March, 2013, resolved by the Company on 1 April, 2013 and closed by SEBI on 4 April, 2013.

- Reviewing, with management, the annual financial information before submission to the Board for approval, with particular reference to:
 - legal or regulatory requirements relating to financial information;
 - disclosure of any related party transactions;
 - any qualifications in the draft Audit Report.
- 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
- matters required to be included in the Directors' Responsibility Statement in the Board's Report pursuant to subsection (2AA) of Section 217 of the Companies Act, 1956;
- changes, if any, in accounting policies and practices and reasons for such changes;
- major accounting entries involving estimates based on the exercise of judgement by the Company's management;
- any significant adjustments made in the financial information arising out of audit findings;
- compliance with listing and other
- Reviewing, with management, the quarterly financial information before submission to the Board for approval.
- Reviewing, with management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized 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 a public or rights issue, and making

7 Attendance Record of Remuneration Committee

For the year ended 31 March, 2013

Name	Position	Status	No. of meetings held during the period the Director was a member of the Committee	No. of meetings attended*
Mr. Naresh Chandra	Independent Director	Chairman	4	4
Dr. Omkar Goswami	Independent Director	Member	4	4
Mr. Aman Mehta	Independent Director	Member	4	4
Mr. Tarun Jain	Non-Executive Director	Member	4	4
Mr. Navin Agarwal	Non-Executive Director	Member	4	4

* Video/ tele conferencing facilities are provided to Directors to participate in the meetings, whenever required.

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 Whole Time 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.
- Carrying out any other function as the Board may from time to time refer to the Audit Committee.

The Audit Committee also reviews the following information:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.

Shareholders' / Investors' Grievance Committee

As on 31 March, 2013, the Committee comprised three Directors: 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 - Risk Assurance & Company Secretary, is the Compliance Officer of the Company and the Secretary of the Committee.

During the year ended 31 March, 2013, the Committee met twice: on 23 July, 2012 and 21 January, 2013. The attendance record of the Shareholders'/ Investors' Grievance Committee is given in Table 5. The Committee

approves by way of circulation every fortnight, matters pertaining to allotment/ rematerialization of shares etc.

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 queries and complaints received during the 12-month period ended 31 March, 2013 by the Registrar and Share Transfer Agent is given in Table 6.

Terms of Reference

- To approve/refuse/reject registration of transfer/transmission/transposition of shares.
- To allot shares on exercise of stock options and to authorize issue of Share Certificates.
- To authorize:
 - issue of duplicate share certificates and issue of share certificates after split/consolidation/ rematerialization of shareholding.
 - printing of Share Certificates.

- iii. affixation of Common Seal of the Company on Share Certificates of the Company.
- iv. Directors/ Managers/ Officers / Signatories for signing/endorsing Share Certificate.
- v. necessary applications /corporate actions to Stock Exchanges and Depositories arising out of and incidental to the exercise of options by the employee.

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, 2013, the Remuneration Committee comprised five non-executive Directors: Mr. Naresh Chandra (Chairman), Mr. Navin Agarwal, Mr. Tarun Jain, Mr. Aman Mehta and Dr. Omkar Goswami. Three of these members are independent Directors.

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 package for the executive Directors. The Committee ensures that a significant proportion of executive Directors remuneration is structured so as to link rewards to corporate and individual performance. In determining packages of remuneration, the Committee consults with the Chairman as appropriate.

The Committee is also responsible for overseeing the Company's share option schemes and long term incentive plans, which includes determination of the eligibility for benefits and approval of total annual payments.

During the year ended 31 March, 2013, four meetings of the Remuneration Committee were held on 20 April, 2012, 23 July, 2012, 22 October, 2012 and 21 January, 2013. The attendance record of the Remuneration Committee is given in Table 7. Mr. Naresh Chandra, Chairman of the Remuneration Committee, was present at the Company's last AGM held on 22 August, 2012.

Nomination Committee

As on 31 March, 2013, the Nomination Committee comprised three Directors: Mr. Navin Agarwal (Chairman), Mr. Tarun Jain 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 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.

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. Further, the Company has also followed the Cost Accounting Records (Petroleum Industry) Rules, 2011. No material financial and commercial transactions were reported by the management to

8 Details of Directorship and Committee Positions held in other Companies as on 31 March, 2013

Name	Mr. Naresh Chandra	Mr. Edward T. Story	Mr. P. Elango
Directorship held in other companies	<ul style="list-style-type: none"> • Hindustan Motors Ltd. • Electrosteel Castings Ltd. • Bajaj Auto Ltd. • Bajaj Finserv Ltd. • Bajaj Holdings and Investments Ltd. • Balrampur Chini Mills Ltd. • Gammon Infrastructure Project Ltd. • EROS International Media Ltd. • AVTEC Ltd. • G4S Corporate Services (India) Pvt. Ltd. • Emergent Ventures India Pvt. Ltd. • Vedanta Resources Plc. • EROS International Plc. • ACC Ltd. • Ambuja Cements Ltd. 	<ul style="list-style-type: none"> • SOCO International Plc. • Baanthong Properties • TMB- Mongolian Health Clinic 	<ul style="list-style-type: none"> • Cairn India Holdings Ltd. • Cairn Energy Holdings Ltd. • Cairn Energy Hydrocarbons Ltd. • Cairn Exploration (No.7) Ltd. • Cairn Exploration (No.6) Ltd. • Cairn Exploration (No.4) Ltd. • Cairn Exploration (No.2) Ltd. • Cairn Energy Gujarat Block 1 Ltd. • Cairn Energy Discovery Ltd. • Cairn Petroleum India Ltd. • Cairn Energy India Pty Ltd. • CIG Mauritius Holding Private Ltd. • CIG Mauritius Private Ltd. • Cairn Lanka (Pvt) Ltd. • Cairn South Africa Proprietary Ltd.
Committee position in Cairn India Ltd.	<ul style="list-style-type: none"> • Audit Committee-Member • Remuneration Committee-Chairman 	<ul style="list-style-type: none"> • Audit Committee- Member • Nomination Committee- Member • Shareholders'/ Investors' Grievance Committee- Member 	None
Membership/Chairmanship of Committees* of other Indian public companies :			
Audit Committee	<ul style="list-style-type: none"> • Hindustan Motors Ltd. – Chairman • Electrosteel Castings Ltd.- Member • Bajaj Holdings and Investments Ltd.- Member • Gammon Infrastructure Project Ltd.- Member • Bajaj Finserv Ltd.- Member • EROS International Media Ltd.- Member • ACC Ltd. - Member 	None	None
Shareholders'/Investors' Grievance Committee	<ul style="list-style-type: none"> • Bajaj Auto Ltd.- Member 	None	None

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

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

In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a code of conduct for its Directors, management and staff. The code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the

consequences of violations. The code clearly specifies, among other matters, that the Directors and Designated employees of the Company can trade in the shares of the Company only during the period when 'Trading Window' is open. The trading window is closed during the time of declaration of results or 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 at the year end.

RELATED PARTY TRANSACTIONS

All the related party transactions are strictly done on arm's length basis. The Company presents a statement of all related party transactions before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company as utmost priority.

RISK MANAGEMENT

Cairn India follows well-established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Board. The Company has in place a Business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The Risk Management Committee assists the Board in its oversight of the Company's management of key risks, including strategic and operational 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. Further, the Company has a dedicated Risk Assurance team interfacing between the Risk Management Committee and the Board to facilitate risk reporting and updates, risk policy compliances and provide overall guidance and support to business risk owners.

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, 2013 is enclosed at the end of this report.

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.

Further, in terms of the provisions of Clause 49 of the Listing Agreement with Stock Exchanges, minutes of Board meetings of subsidiary Companies along with summary of key decisions are regularly placed before the Board.

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. Naresh Chandra, Independent Non-Executive Director

Mr. Naresh Chandra, 78, holds masters degree in Mathematics from Allahabad University and is a retired IAS officer. He was earlier the Chairman of the Indian Government Committee on Corporate Governance, India's Ambassador to the USA, Senior Advisor to the Prime Minister, Governor of Rajasthan, Cabinet Secretary to the Government of India, and Chief Secretary to the Government of Rajasthan. Mr. Chandra is a reputed administrator and a diplomat and is currently an independent non-executive Director on the Board of several public companies.

Mr. Edward T. Story, Independent Non-Executive Director

Mr. Edward T. Story, 69, holds a Bachelor of Science degree from Trinity University, San Antonio, Texas and holds a Masters Degree in Business Administration from the University of Texas with an honorary Doctorate degree by the Institute of Finance and Economics of Mongolia. He is a chairman of the North America Mongolia Business Council. Mr. Story has more than 40 years of experience in the international oil and gas industry and is the founder, President and Chief Executive Officer of the London Stock Exchange listed SOCO International Plc.

Mr. P. Elango, Interim Chief Executive Officer and Whole Time Director

Mr. P Elango, 51, is a Cairn veteran, who has played a key role in the growth of Cairn India into a leading Oil &

Gas company in India. Over a career spanning over 26 years in Upstream Oil & Gas Sector, Mr. Elango has held several leadership roles in different areas of the business and is currently a recognized leader in the industry in India.

Prior to becoming the interim CEO & Whole Time Director, Mr. Elango was the Director - Strategy and Business Services of Cairn responsible for spearheading the strategic planning for the company as well as leading and integrating the business service functions to support the core activities of Exploration, Development and Production.

Mr. Elango began his career with ONGC in 1985 and over a span of 10-years, performed diverse roles and joined Cairn in January 1996.

He holds an MBA from Annamalai University, Chennai.

The Directorships and committee positions by these Directors as on 31 March, 2013 are given in Table 8.

MEANS OF COMMUNICATION

Financial/ Quarterly Results

The Company intimates un-audited/ 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.corpfilings.co.in The shareholding pattern, announcements, board meeting, corporate action and Corporate Governance Report are also filed electronically on NSE Electronic Application Processing System (NEAPS) and BSE Listing Portal. Further, as a good Corporate Governance Practice, the Company sends its quarterly financial results to shareholders through email immediately after they are approved by the Board and disseminated to the Stock Exchanges.

News Releases, Analyst Presentation, etc.

The Quarterly and Annual Results are generally published in the 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: 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, press release, Quarterly Reports and Corporate Governance Report is also available on the website. Further, various forms like Nomination Form, Affidavit and Indemnity are also available on the website.



GENERAL BODY MEETINGS

Since its incorporation, the Company has had six AGMs and four Extraordinary General Meetings (EGMs). The forthcoming AGM is scheduled to take place on 24 July, 2013. The details in respect of last three annual general meetings and special resolution passed in AGM are given in Table 9.

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 10.

Special Resolutions passed through postal ballot last year:

No special resolution was passed through Postal Ballot during the financial year 2012-13.

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

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

Procedure of Postal Ballot

The notice containing the proposed resolution and explanatory statement thereto are 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 Scrutinizer appointed by the Board for carrying out the ballot process. The Scrutinizer submits his reports to the Chairman/ Director authorized by the Board, who on basis of the report announces the results. However, due to the amendments in Listing Agreement, the Postal Ballot, if any, would now be carried through e-voting mechanism. The shareholders who have registered their e-mail Ids with the Company would be provided login details to vote for the proposed resolutions and other shareholders would be required to send their assent or dissent in writing on

a postal ballot form pursuant to the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and amendments made thereto.

COMPLIANCE WITH CLAUSE 49

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of Clause 49.

Non-Mandatory Requirements

The Board

All independent Directors have diversified experience and requisite qualification. None of the independent Directors' tenure exceeded a period of nine years on the Board of the Company.

Remuneration Committee

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

9 Location and Time of Annual General Meetings				
Financial Year	Location of the meeting	Date	Time	Special Resolution passed at the AGM
2009-10	Rangsharda Auditorium, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai	15 September, 2010	11.00 A.M	No Special Resolution was passed.
2010-11	Rangsharda Auditorium, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai	18 August, 2011	11.00 A.M	Payment of Commission to Non-Executive Directors.
2011-12	Rangsharda Auditorium, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai	22 August, 2012	11.00 A.M	<ul style="list-style-type: none"> • Appointment of Mr. Rahul Dhir as Managing Director and Chief Executive Officer. • Issuance of stock options to the employees and Directors of the subsidiary Companies of Cairn India Limited. • Amendments/substitutions to the Articles of Association of the Company.

10 Resolutions passed through Postal Ballot			
S.No.	Subject matter of the Resolution	Date of passing Resolution	Type of Resolution
1	Shifting of registered office from the state of Maharashtra to the state of Rajasthan	17 July, 2009	Special
2	Utilisation of the share premium account not exceeding INR 15,000 crores, of the company to adjust the goodwill arising pursuant to the scheme of arrangement	2 March, 2010	Special
3	Issue equity share of the Company upon exercise of options granted or vested under Cairn India Employee Stock Option Scheme (CIESOP) and Cairn India Performance Option Plan (CIPOP)	3 November, 2010	Ordinary
4	To consider the conditions imposed by the Government of India vide letter dated 26th July, 2011 for the proposed sale of shares of the Company by Cairn UK Holdings Limited along with its holding company, Cairn Energy Plc to Vedanta Resources Plc and its subsidiaries.	14 September, 2011	Ordinary

The Company benefits from diverse professional expertise and experience of Non-executive Directors.

Shareholder Rights

The quarterly results are published on our website: www.cairnindia.com and in widely circulated newspapers. The Company sends quarterly results by email to those shareholders who have provided their e-mail Ids.

Audit Qualifications

During the current financial year, there are no audit qualifications in the financial statements. Emphasis of Matter given in the Auditors' Report has been referred in the Directors' Report. The Company continues to adopt best practices in order to ensure unqualified financial statements.

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.

Mechanism for Evaluating Non-Executive Board Members

The Company benefits from diverse professional expertise and experience of Non-executive Directors. The Directors make contributions at the Board/Committee meetings, review the operations and advise on the major issues and strategy of the Company from time to time. The Company also benefits from the advice of Non-executive Directors sought by the management on critical issues from time to time. The contributions made and the time devoted by the Non-executive Directors is recognised by the Company. The Company proposes to adopt a formal mechanism for evaluating individual performance of Non-executive Directors.

Whistleblower Policy

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.

ADDITIONAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date: 24 July, 2013

Time: 10:30 AM

Venue: Rangsharda Auditorium,
K C Marg, Bandra Reclamation,
Bandra (West), Mumbai-400050

FINANCIAL CALENDAR

For the year ended 31 March, 2013, results were announced on

- 23 July, 2012: First quarter
- 22 October, 2012: Second quarter
- 21 January, 2013 : Third quarter
- 22 April, 2013: Fourth (last) quarter and the financial year's results

For the year ending 31 March, 2014, results will be announced by

- Last week of July 2013: First quarter
- Last week of October 2013: Half yearly
- Last week of January 2014: Third quarter
- Last week of April, 2014: Fourth quarter and full financial year's results.

INTERIM DIVIDEND

The Board of Directors of the Company declared an Interim Dividend of INR 5 per equity share on a face value of INR 10 per share on 31 October, 2012. The record date for the purpose of payment of Interim Dividend was 6 November, 2012 and the Interim Dividend was paid to the shareholders on 10 November, 2012.

UNCLAIMED INTERIM DIVIDEND

During the period under review the Interim Dividend 2012-13 remaining unpaid was transferred to the unpaid Dividend Account. In respect of the unpaid / unclaimed Interim Dividend for the year 2012-13, the shareholders are requested to write to the Registrar and Share Transfer Agent of the Company. Further, Section 205 of the Companies Act, 1956, mandates companies to transfer Dividend that remains unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF). Therefore, balance if any remaining unclaimed/ unpaid against the Interim Dividend 2012-13, will be transferred to IEPF on 7 December, 2019.

FINAL DIVIDEND

The Board of Directors of the Company has recommended a Final Dividend of INR 6.50 per equity share. The Dividend recommended by the Directors for the year ended 31 March, 2013, if declared at the annual general meeting, will be paid by 12 August, 2013 to those members, whose names appear in the Register of Members of the Company on 11 July, 2013. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on 11 July, 2013 as per the details furnished by the respective depositories for this purpose.

BOOK CLOSURE

The dates of book closure are from Friday, 12 July, 2013 to Wednesday,

24 July, 2013, inclusive of both days.

NATIONAL ECS FACILITY

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transaction. 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/Registrars, 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 Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The annual listing fee for the financial year 2013- 14 has been paid to BSE and NSE. The Company has also paid annual custody/issuer fee for the year 2013-14 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The stock codes are given in Table 1 below.

To maintain ‘zero non-compliance’ status and to adopt best governance practices, a voluntary Secretarial Audit was carried out for FY 2012-13.

SECRETARIAL AUDIT

As a measure of good governance, the Company engaged M/s. Nesar & Associates, practicing company secretaries, to conduct Secretarial Audit for the financial year 2012-13. The Secretarial Audit report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreements with the Stock exchanges, and all the Regulations and Guidelines of the Securities and Exchange Board of India as applicable to the Company.

RECONCILIATION OF SHARE CAPITAL AUDIT

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificate on half yearly basis, was issued by M/s. S. Rajwanshi & Co., a Company Secretary in Practice for due compliance of share transfer formalities by the Company. Audits were also carried out by M/s. S. Rajwanshi & Co., to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total

issued / paid up 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).

MARKET PRICE DATA

Table 2 and Chart A give the details.

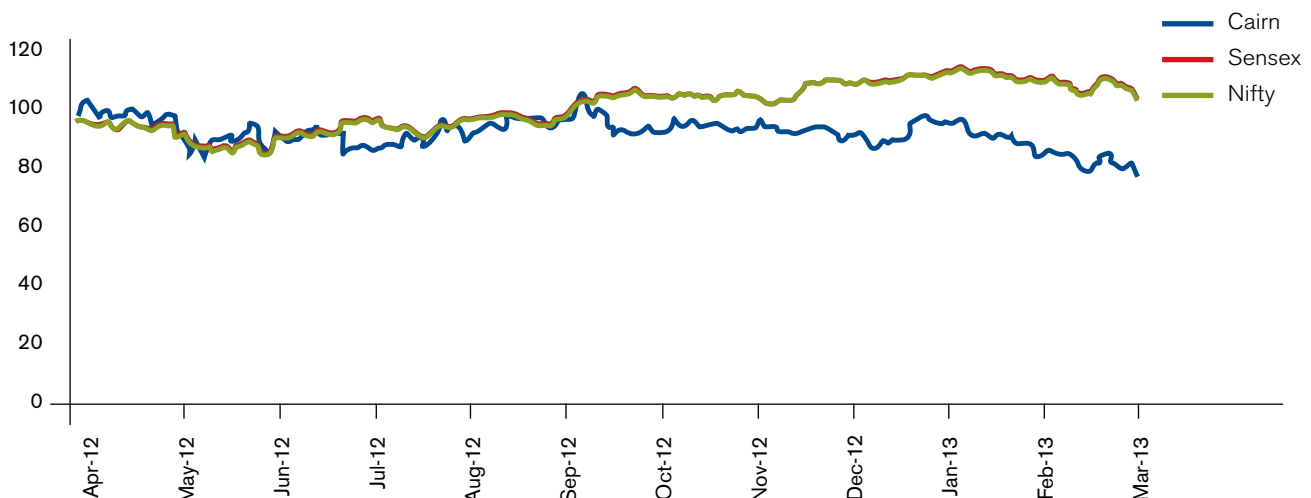
DISTRIBUTION OF SHAREHOLDING

Tables 3 and 4 list the distribution of the shareholding and shareholding pattern of the Company by size and

1 Stock Exchange Codes

Name of the Stock Exchange	ISIN	Stock Code	Website
The National Stock Exchange of India Limited	INE910H01017	CAIRN	www.nseindia.com
Bombay Stock Exchange Limited	INE910H01017	532792	www.bseindia.com

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 2012-13 i.e. 1 April, 2012.

2 High and Low Price and Volume of Company's Shares Traded
During the year ended 31 March, 2013 at the BSE and NSE

Months	BSE			NSE		
	High Price (INR)	Low Price (INR)	No. of Shares traded	High Price (INR)	Low Price (INR)	No. of Shares traded
Apr-12	362.85	330.00	4,240,840	363.00	329.50	37,499,391
May-12	350.45	301.15	4,844,182	350.80	301.00	75,218,480
Jun-12	336.10	296.10	66,420,428	336.20	296.10	104,306,746
Jul-12	335.90	308.00	7,316,826	336.00	307.90	70,049,745
Aug-12	348.50	313.60	4,569,485	350.00	313.45	62,079,645
Sep-12	365.90	323.00	9,168,796	367.00	323.00	234,309,503
Oct-12	343.70	323.80	5,232,448	344.20	306.20	70,963,137
Nov-12	339.00	320.00	14,091,696	339.00	325.15	62,777,005
Dec-12	335.80	309.30	7,625,426	335.80	309.45	66,128,242
Jan-13	349.90	319.00	6,840,021	349.00	318.10	71,453,811
Feb-13	328.95	292.60	5,206,663	328.25	292.50	56,611,340
Mar-13	309.75	267.90	5,581,000	309.45	267.70	50,292,136

3 Distribution of Shareholding
As on 31 March, 2013

Number of Shares	No of Shareholders	% of Shareholders	Total Shares	% of Shares
Up to 500	250,629	92.28	27,478,313	1.44
501-1000	14,208	5.23	9,286,772	0.49
1001-2000	3,291	1.21	4,816,019	0.25
2001-3000	972	0.36	2,498,358	0.13
3001-4000	444	0.16	1,589,636	0.08
4001-5000	326	0.12	1,538,194	0.08
5001-10000	618	0.23	4,452,090	0.23
10001 and above	1,108	0.41	1,858,578,772	97.30
Total	271,596	100	1,910,238,154	100

4 Shareholding Pattern as on 31 March, 2013

		No. of Equity Shares face Value INR 10/- Each	Shares held (%)
A	PROMOTER HOLDING		
1	Indian Promoters	383,840,413	20.09
2	Foreign Promoters	738,873,586	38.68
3	Persons acting in concert	-	-
B	NON-PROMOTER HOLDING		
a)	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	152,765,191	8.00
b)	Foreign Institutional Investors	278,117,140	14.56
c)	Public	52,034,408	2.72
d)	Qualified Foreign Investors	75,050	0.00
e)	Mutual Funds	59,751,067	3.13
f)	NRI (Repatriable)	1,588,589	0.08
g)	NRI (Non-Repatriable)	661,433	0.03
h)	Bodies Corporate	43,850,079	2.30
i)	Foreign Bodies Corporate	196,174,600	10.27
j)	Clearing Member	1,828,000	0.10
k)	Directors/relatives	177,746	0.01
l)	Trusts	500,852	0.03
	Grand Total	1,910,238,154	100.00

5 Top Twenty Shareholders as on 31 March, 2013

S.No.	Name	No. of Equity Shares	Shares Held (%)
1	Twin Star Mauritius Holdings Ltd	738,873,586	38.68
2	Sesa Goa Limited	351,140,413	18.38
3	Cairn UK Holdings Limited	196,174,600	10.27
4	Life Insurance Corporation of India	150,952,015	7.90
5	Sesa Resources Limited	32,700,000	1.71
6	ICICI Prudential Dynamic Plan	27,430,829	1.44
7	Europacific Growth Fund	16,000,000	0.84
8	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Fund	9,391,699	0.49
9	Indus Capital Advisors (UK) LLP A/c Indus India Fund (Mauritius) Limited	9,220,753	0.48
10	Reliance Life Insurance Company Limited	8,879,707	0.46
11	Robeco Capital Growth Funds	8,200,000	0.43
12	Swiss Finance Corporation (Mauritius) Limited	7,239,857	0.38
13	HSBC Global Investment Funds A/c HSBC Global Investment Funds Mauritius Limited	7,031,379	0.37
14	Stichting Pensioenfond ABP	6,722,431	0.35
15	Abu Dhabi Investment Authority - Gulab	6,212,098	0.33
16	New World Fund Inc	5,900,384	0.31
17	Dimensional Emerging Markets Value Fund	5,227,691	0.27
18	SBI Life Insurance Co. Ltd	5,191,667	0.27
19	ICICI Prudential Life Insurance Company Ltd	4,994,735	0.26
20	Blackrock Fund Advisors A/c Ishares Emerging Markets Index Mauritius Co	4,877,916	0.26

6 Outstanding ESOPs

ESOP Scheme	No. of outstanding options	Last date for exercise	Exercise Price (INR)
CIESOP	150,546	31 December, 2016	160
	323,112	19 September, 2017	166
	1,059,921	28 July, 2018	227
	NIL	9 December, 2018	143
	2,608,700	28 July, 2019	240
	2,190,912	26 July, 2020	331.25
	3,832,443	25 July, 2021	327.75
3,806,182	22 July, 2022	326.85	
CIPOP	726,685	25 October, 2014	10
	778,678	22 October, 2015	10
Total	15,477,179		

If all the outstanding stock options granted get vested and exercised, the number of equity shares will increase by 15,477,179.

ownership class as on 31 March, 2013. Further details of top twenty shareholders are given in Table 5.

DEMATERIALIZATION OF SHARES

Cairn India's shares are compulsorily traded in dematerialised form and

are available for trading on both the Depositories of India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31 March, 2013, 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, 2013 are given in Table 6.

SHARE SUSPENSE ACCOUNT

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

UNCLAIMED IPO REFUND

As on 31 March, 2013, ~ INR 16.57 lacs is lying with the company against unclaimed IPO refund. The Company has sent several reminders to the investors to claim their refund amount. Refunds are released as and when investors contact us with the correct details. The IPO refund amount if remain unclaimed till 30 December, 2013, will be transferred to Investor Education and Protection Fund.

DEBT SECURITIES

As on 31 March, 2013, there is no Debt Security of the Company. Series A Non Convertible Debentures under ISIN INE910H08012 and Series B Non Convertible Debentures under ISIN INE910H08020 were redeemed on 12 July, 2012 and 12 October, 2012 respectively.

7 Status of Equity shares lying in 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 on 1 April, 2012	55	9,660
2	No. of shareholders who approached for transfer of shares from suspense account during the 12 months year ended 31 March, 2013	7*	1,365
3	No. of Shareholders to whom shares were transferred from suspense account during the 12 months year ended 31 March, 2013	6	1,260
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying on 31 March, 2013	49	8,400

*The Company is yet to receive the complete documents from one of the shareholders to transfer the shares from suspense account.

SHARE TRANSFER SYSTEM

Link Intime India Private Limited (Link Intime) 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: rmt.helpdesk@linkintime.co.in
Tel +91 22 25963838
Fax +91 22 25946969

Or

Director – Risk Assurance & 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 4593000

Fax +91 124 2889320

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

Shareholders can write to Director-Risk Assurance & Company Secretary for physical copy of the Annual Report.

INVESTOR RELATIONS

The Company has a dedicated 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. Investors can e-mail their queries to cilir@cairnindia.com.

OPERATIONAL LOCATIONS

The Company's oil and gas producing 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 INTERIM CHIEF EXECUTIVE OFFICER & WHOLE TIME DIRECTOR AND CHIEF FINANCIAL OFFICER

The Board of Directors

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

Dear Sirs,

We, P. Elango, Interim Chief Executive Officer & Whole Time Director, 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, 2013 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, 2013.

P. Elango
Interim CEO & Whole Time Director

Sudhir Mathur
Chief Financial Officer

Date: 22 April, 2013
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 March 31, 2013, 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, 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 & CO. LLP
Chartered Accountants
Firm registration number: 301003E

per Raj Agrawal
Partner
Membership No.: 82028

Place: Gurgaon
Date: 22 April, 2013

SECRETARIAL AUDIT REPORT

The Board of Directors

Cairn India Limited
101, West View
Veer Savarkar Marg
Prabhadevi
Mumbai-400025

I have examined the registers, records and documents of Cairn India Limited ("the Company") for the financial year ended on March 31, 2013 according to the provisions of:

- i. The Companies Act, 1956 and the Rules made under that Act;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA'), the Rules made under that Act;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
 - iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB);
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - vi. The Equity Listing Agreements with Bombay Stock Exchange Limited and National Stock Exchange of India Limited and Debt Listing Agreements with National Stock Exchange of India Limited.
1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:
- (a) maintenance of various statutory registers and documents and making necessary entries therein;
 - (b) closure of the Register of Members / Debenture holders;

- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- (d) service of documents by the Company on its Members, Debenture holders, Debenture trustees, Auditors and the Registrar of Companies;
- (e) notice of Board meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 6th Annual General Meeting held on August 22, 2012;
- (h) minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- (j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- (k) payment of remuneration to Directors including the Managing Director and Whole-time Directors;
- (l) appointment and remuneration of Auditors;
- (m) Transfers of the Company's shares and debentures. However, there was no request for transmission of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
- (n) payment of interest on debentures and redemption of debentures;
- (o) borrowings and registration, modification and satisfaction of charges wherever applicable;
- (p) investment of the Company's funds including inter corporate loans and investments and loans to others;
- (q) giving guarantees in connection with loans taken by subsidiaries and associate companies;
- (r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- (s) Directors' report;
- (t) contracts, common seal, registered office and publication of name of the Company; and
- (u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

2. I further report that:

- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;

- (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel;
 - (c) the Company has obtained all necessary approvals under the various provisions of the Act; and
 - (d) there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialization / rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
4. I further report that:
- (a) the Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and the National Stock Exchange of India Limited and the Debt Listing Agreements with National Stock Exchange of India Limited;
 - (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
 - (d) the Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme, grant of Options and other aspects;
 - (e) the Company has complied with the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

For Nesar & Associates
Company Secretaries

Mohd Nazim Khan
Practicing Company Secretary
FCS: 6529 (CP: 8245)

Date: 4 April, 2013

Place: New Delhi