

Annual Report

FY 2014 – 15

Corporate Social Responsibility



IN FY2015, THE COMPANY RECEIVED THE IPE EXCELLENCE AWARD IN THE DEVELOPMENT SECTOR FOR CONTRIBUTING TO THE SOCIETY AT LARGE.

Cairn India is committed to empower the local communities in its areas of operation and support them in their path to sustainable and inclusive growth. This commitment is fundamental to the company's long-term success. Cairn India is focused on creating shared value and making a difference through our Corporate Social Responsibility (CSR) initiatives.

This year has been remarkable in terms of the impact our existing programs were able to create as their coverage grew wider and deeper - thus impacting an increasingly larger number of communities at the grass-root level. Cairn India also implemented new programs in sanitation, solar based household electricity, vocational skill centers, and farm based livelihood.

Our efforts received due recognition as Cairn was selected as one of the 12 finalists among the major global oil and gas companies under "Stewardship Awards - Corporate Social Responsibility" category by Platts, USA. In February 2015, the Company received the IPE Excellence Award in the Development Sector for contributing to the society at large.

Cairn conducts its CSR programs with the two interlinked objectives:

- Measurable Improvement in

socio-economic status of the local communities in our areas of operation

- Continuous engagement with the local communities to develop a relationship of mutual trust and interdependence

The Company strives for holistic development of local communities by focusing on five thematic areas: livelihood (farm and vocational skill), education, health, water and sanitation. All programmes have been designed encapsulating two core principles:

- Empower community to make them self-reliant
- Partner with government to extend reach and ensure long term sustainability

OUR THEMATIC AREAS

SUSTAINABLE LIVELIHOOD – SKILL DEVELOPMENT

The Cairn Enterprise Centre (CEC), a vocational training center in Barmer, was established in 2007 with support



Maternal healthcare program in-progress, Barmer, Rajasthan

from Government of Rajasthan to develop local talent and vendors. We significantly expanded this program by adding seven satellite centers in the districts of Barmer and Jalore, and an additional industrial electrician lab to link youths to the employment opportunities created by our business. A Career resource center was established at Barmer College and CEC for soft skill training, career counselling and placement of Barmer youth in prestigious firms across the nation.

This year around 1100 youth received training at the CEC, a 90% increase over last year. Of these 902 have found employment - around 75% of these in the local area.

A special batch was conducted for training 25 women enabling them to

take up masonry and become part of Swachh Bharat Abhiyan and for training 25 specially-abled adults in English speaking and computer to take job in BPO center in Barmer. In line with the Indian government's emphasis on national skill development, Cairn India is adding new labs at CEC and working with the government to enhance training and placement programs at two government run Industrial training Institutes (ITIs).

Cairn Centre of Excellence(CCOE), a premier vocation training center and a flagship CSR initiative of the Company, commenced its operation in November 2014. The CCoE is a state-of-the-art vocational center established in Jodhpur to impart training to youth from across the country. The training and certification

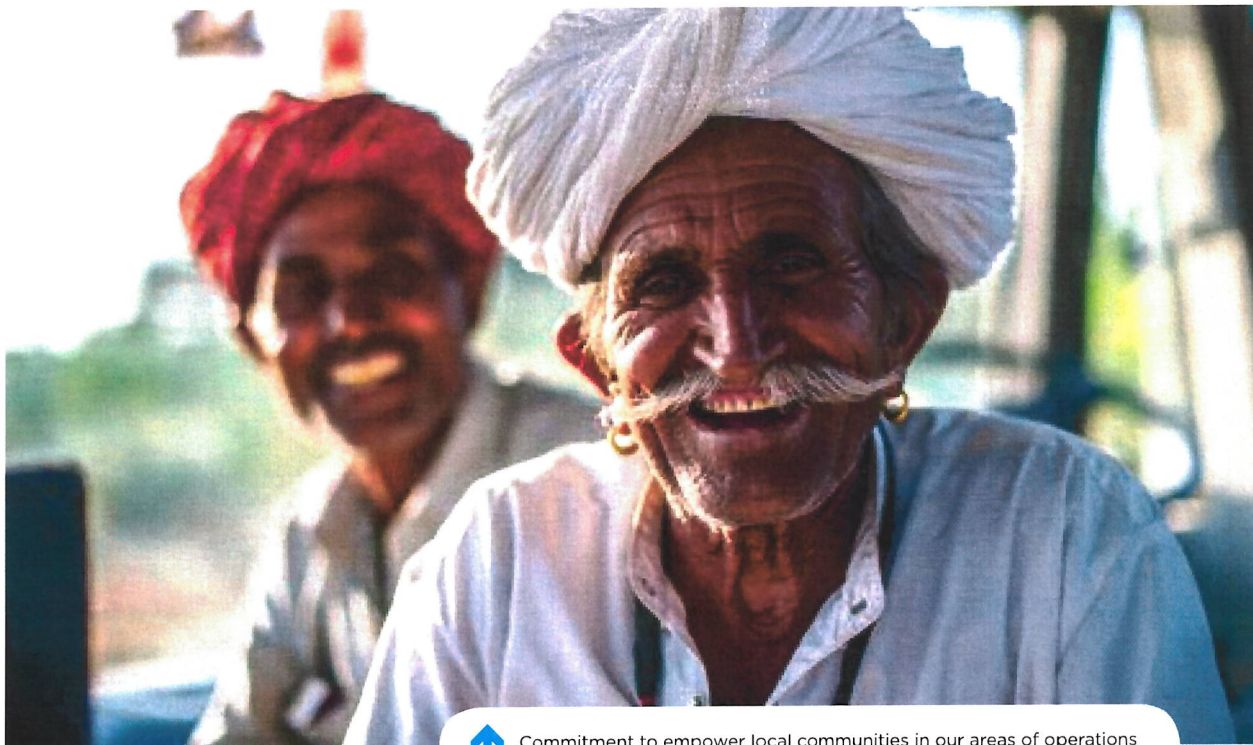
is provided by world renowned German training provider, TUV Rhineland. CCoE has established partnership with various reputed corporates and institutions for training and placement. All training modules will be operational from April 2015 for full capacity utilization. During the year 50 students completed training at the CCoE and are under placement.

Local Vendor Development,

a programme where Cairn India continues to formally inculcate a culture of safety and quality with the objective of promoting local content in our business. In FY2015, our direct spend through local vendors in our operational areas exceeded ₹ 300 crore spread across 270 vendors.



Skill based training at Cairn Enterprise Centre, Barmer, Rajasthan



Commitment to empower local communities in our areas of operations

SUSTAINABLE LIVELIHOOD FARM BASED

The Program is aimed to increase incomes of farming community through productivity enhancement of agriculture and livestock. In 2014, we had established various demonstration farms and horticulture units using new techniques to show productivity improvement. In FY2015, we scaled our horticulture and agriculture program, up from 1200 to 2500 farmers, with additional water intervention including drip irrigation and 'khadin' (a construction designed to harvest surface runoff water for agriculture) for improving farming productivity while reducing water consumption.

Multi-cropping pattern with vegetables and mushroom has increased income of selected farmers two fold. To increase soil

fertility of up to 250 hectares of land, 150 specialized 'khadins', were established. Thanks to these interventions, around 150 hectares of barren land has been now brought under cultivation.

Our dairy cooperative program has been significantly expanded with additional 1000 households enrolled – thus contributing to a 50% increase in daily milk production from 5000 litres to 7500 litres. The agricultural kiosk program in Gujarat has been expanded with three new centres adding up to a total of 11 such, which benefit around 10,000 farmers.

EDUCATION

Cairn India's efforts are aimed at improving the quality of education at rural government schools which cater to the grass root level. It was found that lack of teachers and

poor academic performance were key reasons for very high drop out at secondary school. We worked with 37 government schools with a collective enrolment of almost 8000 students in Barmer to reduce drop out incidences and improve academic performance by providing supplementary teachers, certified teaching-learning material, ICT labs, and need based infrastructure. Over time, there has been a noticeable improvement in attendance and academic performance as measured by a standard test.

In addition, Cairn India runs mobile science vans and imparts teaching through digital learning across 60 rural government schools in seven districts of Gujarat impacting 18,000 students. This year we also provided scholarships to meritorious students of class X and XII and provided coaching for them to prepare for engineering and medical examinations.