

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts are in ₹ crore, unless otherwise stated)

1 CORPORATE INFORMATION

Cairn India Limited ('the Company') was incorporated in India on 21 August 2006. The equity shares of the Company are listed in India on the Bombay stock exchange and the National stock exchange.

The Company is primarily engaged in the business of surveying, prospecting, drilling, exploring, acquiring, developing, producing, maintaining, refining, storing, trading, supplying, transporting, marketing, distributing, importing, exporting and generally dealing in minerals, oils, petroleum, gas and related by-products and other activities incidental to the above. As part of its business activities, the Company also holds interests in its subsidiary companies which have been granted rights to explore and develop oil exploration blocks.

The Company is a participant in various Oil and Gas blocks/fields, which are in the nature of jointly controlled assets, granted by the Government of India through Production Sharing Contracts ('PSC') entered into between the Company and Government of India and other venture partners.

The Company has interest in the following Oil and Gas blocks/fields-

Oil & Gas blocks/fields	Area	Participating Interest
Operated blocks		
Ravva block	Krishna Godavari	22.50%
CB-OS/2 – Exploration	Cambay Offshore	60.00%
CB-OS/2 - Development & production	Cambay Offshore	40.00%
RJ-ON-90/1 – Exploration	Rajasthan Onshore	50.00%
RJ-ON-90/1 – Development & production	Rajasthan Onshore	35.00%
PR-OSN-2004/1	Palar Basin Offshore	35.00%
KG-OSN-2009/3	Krishna Godavari Offshore	100.00%
MB-DWN-2009/1**	Mumbai Deep Water	100.00%
Non operated block		
KG-ONN-2003/1 *	Krishna Godavari Onshore	49.00%

*Operatorship has been transferred to Oil and Natural Gas Corporation (ONGC) w.e.f 7 July 2014

** intended to be relinquished in the next year

The participating interests were same in the previous year.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies, in all material respects, have been consistently applied by the Company and are consistent with those used in the previous year.

On 30 March 2016, the Ministry of Corporate Affairs notified the Companies (Accounting Standards) Amendment Rules, 2016, resulting in amendment in certain Accounting Standards. The Company is of the view that the said amendments shall come into effect from accounting periods commencing on or after the publication of the notification i.e. from the period starting 1 April 2016 onwards and hence no impact of the same has been given in these financial statements.

2.1 Summary of significant accounting policies

a. Oil and gas assets

The Company follows the successful efforts method of accounting for oil and gas assets as set out by the Guidance Note issued by the ICAI on "Accounting for Oil and Gas Producing Activities" (Revised 2013).

Expenditure incurred on the acquisition of a license interest is initially capitalised on a license by license basis. Costs are held, undepleted, within exploratory & development work in progress until the exploration phase relating to the license area is complete or commercial oil and gas reserves have been discovered.

Exploration expenditure incurred in the process of determining exploration targets which cannot be directly related to individual exploration wells is expensed in the period in which it is incurred.

Exploration/appraisal drilling costs are initially capitalised within exploratory and development work in progress on a well by well basis until the success or otherwise of the well has been established. The success or failure of each exploration/appraisal effort is judged on a well by well basis. Drilling costs are written off on completion of a well unless the results indicate that oil and gas reserves exist and there is a reasonable prospect that these reserves are commercial.

Where results of exploration drilling indicate the presence of oil and gas reserves which are ultimately not considered commercially viable, all related costs are written off to the statement of profit and loss immediately. Following appraisal of successful exploration wells, when a well is ready for commencement of commercial production, the related exploratory and development work in progress are transferred into a single field cost centre within producing properties, after testing for impairment.

Where costs are incurred after technical feasibility and commercial viability of producing oil and gas is demonstrated and it has been determined that the wells are ready for commencement of commercial production, they are capitalised within producing properties for each cost centre.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

2 BASIS OF PREPARATION CONTINUED...

Subsequent expenditure is capitalised when it enhances the economic benefits of the producing properties or replaces part of the existing producing properties. Any costs remaining associated with such part replaced are expensed off in the financial statements.

Net proceeds from any disposal of an exploration asset within exploratory and development work in progress are initially credited against the previously capitalised costs and any surplus proceeds are credited to the statement of profit and loss. Net proceeds from any disposal of producing properties are credited against the previously capitalised cost and any gain or loss on disposal of producing properties is recognised in the statement of profit and loss, to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

Amounts which are not being paid by the joint venture partner in oil and gas blocks where the Company is the operator and have hence been funded by it are treated as exploration, development or production costs, as the case may be.

b. Site restoration costs

At the end of the producing life of a field, costs are incurred in restoring the site of production facilities. The Company recognizes the full cost of site restoration as a liability when the obligation to rectify environmental damage arises. The site restoration expenses form part of the exploration & development work in progress or cost of producing properties, as the case may be, of the related asset. The amortization of the asset, calculated on a unit of production basis based on proved and developed reserves, is included in the depletion cost in the statement of profit and loss.

c. Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

d. Other tangible and intangible fixed assets

Tangible assets, other than oil and gas assets, are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets, other than oil and gas assets, acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated depreciation and impairment losses, if any.

Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

e. Depletion, depreciation and amortization

Oil and gas assets

Depletion is charged on a unit of production basis, based on proved reserves for acquisition costs and proved and developed reserves for successful exploratory wells, development wells, processing facilities, distribution assets, estimated future abandonment cost and all other related costs (also refer note 40). These assets are depleted within each cost centre. Reserves for this purpose are considered on working interest basis which are reassessed at least annually. Impact of changes to reserves are accounted for prospectively.

Other assets

Depreciation on assets, other than oil and gas assets, is provided using the Straight Line Method as per the useful lives of the assets stated below. The same have been determined by the management based on technical estimates.

Vehicles	4 years
Buildings (including lease hold improvements)	6 years to 10 years
Computers	2 years
Furniture and fixtures	4 years
Office equipments	4 years
Computer Software	2 years

The useful lives of assets as mentioned in Schedule II of Companies Act 2013 is higher than those assessed by the management for all its fixed assets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

2 BASIS OF PREPARATION CONTINUED...

Leasehold lands are amortised over the lease period which is a maximum of 10 years. Leasehold improvements are amortized over the remaining period of the primary lease (3 to 12 years) or expected useful economic lives, whichever is shorter.

f. Leases

As lessee

Finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as an expense in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

g. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are measured at cost or market value, whichever is lower, determined on an individual investment basis. Long term investments are measured at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long-term investments.

h. Inventories

Inventories of oil and condensate held at the balance sheet date are valued at cost or net realizable value, whichever is lower. Cost is determined on a quarterly weighted average basis.

Inventories of stores and spares related to exploration, development and production activities are valued at cost or net realizable value whichever is lower. Cost is determined on first in first out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i. Joint Ventures

The Company participates in several Joint Ventures involving joint control of assets for carrying out oil and gas exploration, development and producing activities. The Company accounts for its share of the assets and liabilities of Joint Ventures along with attributable income and expenses in such Joint Ventures, in which it holds a participating interest.

j. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from operating activities

From sale of oil, gas and condensate

Revenue represents the Company's share (net of Government's share of profit petroleum) of oil, gas and condensate production, recognized on a direct entitlement basis, when significant risks and rewards of ownership are transferred to the buyers. Government's share of profit petroleum is accounted for when the obligation (legal or constructive), in respect of the same arises.

As operator from the joint venture

The Company recognizes revenue from joint ventures for services rendered in the form of parent company overhead based on the provisions of respective PSCs.

Tolling income

Tolling income represents the Company's share of revenues from Pilotage and Oil Transfer Services from the respective joint ventures, which is recognized based on the rates agreed with the customers, as and when the services are rendered.

Interest income

Interest income is recognised on a time proportion basis.

Treatment of Taxes

The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Dividend income

Revenue is recognized when the instrument/unit holders' right to receive payment is established by the balance sheet date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

2 BASIS OF PREPARATION CONTINUED...

k. Borrowing costs

Borrowing costs include interest and commitment charges on borrowings, amortisation of costs incurred in connection with the arrangement of borrowings, exchange differences to the extent they are considered a substitute to the interest cost and finance charges under leases. Costs incurred on borrowings directly attributable to development projects, which take a substantial period of time to complete, are capitalised within the development/producing asset for each cost-centre.

All other borrowing costs are recognised in the statement of profit and loss in the year in which they are incurred.

l. Foreign currency transactions and translations

The Company translates foreign currency transactions into Indian Rupees at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Indian Rupees at the rate of exchange prevailing at the balance sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

m. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier period.

Deferred tax assets and liabilities are measured, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence, that all such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realised.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay income tax under the normal provisions during the specified period, resulting in utilization of MAT credit. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will utilize MAT credit during the specified period.

n. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares) that have changed the no of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

o. Provisions

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

p. Cash and Cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short term investments, with an original maturity of 90 days or less.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

2 BASIS OF PREPARATION CONTINUED...

q. Employee Benefits

Retirement and Gratuity benefits

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund, superannuation fund and national pension scheme. The Company recognizes contribution payable to the provident fund, superannuation fund and national pension scheme as an expenditure, when an employee renders the related service. If the contribution payable to the fund for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the fund is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The scheme is maintained and administered by an insurer to which the trustees make periodic contributions.

Short term compensated absences are provided for based on estimates. Long term compensated absences and cash option award are provided for based on actuarial valuation made at the end of each financial year. The actuarial valuation is done on projected unit credit method.

Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.

Employee Stock Compensation Cost

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the Company measures compensation cost relating to employee stock options using the fair value method.

Compensation expense is amortised over the vesting period of the option on a straight line basis.

r. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

s. Segment Reporting

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

t. Derivative instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, is done on marked to market on a portfolio basis, and the net loss is charged to the income statement. Net gains are ignored.

u. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

3. SHARE CAPITAL

	31 March 2016	31 March 2015
AUTHORISED SHARES		
225.00 crore (31 March 2015: 225.00 crore) equity shares of ₹ 10 each	2,250.00	2,250.00
ISSUED, SUBSCRIBED AND FULLY PAID UP SHARES		
187.49 crore (31 March 2015: 187.49 crore) equity shares of ₹ 10 each	1,874.86	1,874.85
Total issued, subscribed and fully paid-up share capital	1,874.86	1,874.85

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 March 2016		31 March 2015	
	No. crore	₹ crore	No. crore	₹ crore
At the beginning of the year	187.49	1,874.85	190.76	1,907.63
Issued during the year – ESOPs exercised*	-	0.01	0.07	0.65
Shares extinguished pursuant to buy back	-	-	(3.34)	(33.43)
Outstanding at the end of the year	187.49	1,874.86	187.49	1,874.85

* Shares issued during the current year are less than 0.01 crore.

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	31 March 2016	31 March 2015
Vedanta Limited (formerly Sesa Sterlite Limited), the holding company 44.45 crore (31 March 2015: 35.11 crore) equity shares of ₹ 10 each fully paid	444.52	351.14
Twin Star Mauritius Holdings Limited, subsidiary of Vedanta Limited 64.55 crore (31 March 2015: 73.89 crore) equity shares of ₹ 10 each fully paid	645.49	738.87
Sesa Resources Limited, subsidiary of Vedanta Limited 3.27 crore (31 March 2015: 3.27 crore) equity shares of ₹ 10 each fully paid	32.70	32.70

(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 0.96 crore (31 March 2015: 1.46 crore) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP scheme) wherein part consideration was received in form of employee services. No other equity shares have been issued for consideration other than cash during the period five years immediately preceding the end of current period.

(e) Aggregate number and class of shares bought back during the period of five years immediately preceding the reporting date:

The Company bought back 3.67 crore equity shares (31 March 2015 : 3.67 crore) during the period of five years immediately preceding the reporting date.

(f) Details of shareholders holding more than 5% shares in the Company

	31 March 2016		31 March 2015	
	No. crore	% holding in the class	No. crore	% holding in the class
Equity shares of ₹ 10 each fully paid				
Twin Star Mauritius Holdings Limited	64.55	34.43%	73.89	39.41%
Vedanta Limited	44.45	23.71%	35.11	18.73%
Cairn UK Holdings Limited	18.41	9.82%	18.41	9.82%
Life Insurance Corporation of India	16.98	9.06%	16.98	9.06%
As per records of the Company, including its register of shareholders/ members, the above shareholding represents legal ownerships of shares.				

(g) Shares reserved for issue under options

For details of shares reserved for issue under the ESOP scheme of the Company, refer Note no. 28

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

4. RESERVES AND SURPLUS

	31 March 2016	31 March 2015
SECURITIES PREMIUM ACCOUNT		
Balance as per the last financial statements	19,042.96	20,107.23
Add: additions on employee stock options exercised	-	14.03
Less: adjustment on account of buy back of equity shares	-	(1,086.49)
Add: transferred from stock options outstanding	0.26	8.19
Closing Balance	19,043.22	19,042.96
CAPITAL REDEMPTION RESERVE		
Balance as per the last financial statements	36.70	3.27
Add: transferred from general reserve on buy back of equity shares	-	33.43
Closing Balance	36.70	36.70
EMPLOYEE STOCK OPTIONS OUTSTANDING		
Balance as per the last financial statements	229.13	208.04
Add: Stock options charge for the year	33.65	82.88
Less: Stock options cancelled during the year	(14.66)	(53.60)
Less: transferred to securities premium on exercise of stock options	(0.26)	(8.19)
Closing Balance	247.86	229.13
GENERAL RESERVE		
Balance as per the last financial statements	3,658.08	3,691.51
Add: Amount transferred on account of cancellation of equity settled and cash settled options [net of tax liability of ₹ 1.12 crore (31 March 2015 : Nil)]	14.90	-
Less: transferred to capital redemption reserve on account of buy back of equity shares	-	(33.43)
Closing Balance	3,672.98	3,658.08
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
Balance as per the last financial statements	12,209.38	12,860.48
Profit for the year	853.53	1,320.03
Less: Appropriations		
Proposed final equity dividend [amount per share ₹ 3.00 (31 March 2015: ₹ 4.00)]	(562.46)	(749.94)
Tax on proposed final equity dividend	(117.23)	(149.94)
Interim equity dividend [amount per share Nil (31 March 2015: ₹ 5.00)]	-	(937.37)
Reversal of final dividend for earlier year*	-	21.73
Tax on interim dividend	-	(159.30)
Reversal of tax on final dividend for earlier year*	-	3.69
Net surplus in the statement of profit and loss	12,383.22	12,209.38
Total reserves and surplus	35,383.98	35,176.25

* The Company had bought back 3.34 crore equity shares during the previous year, prior to declaration of final dividend for FY 2013-14. Hence, accrual for final dividend of ₹ 21.73 crore and tax thereon ₹ 3.69 crore made during the FY 2013-14, on these shares, was reversed in the previous year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

5. PROVISIONS

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
PROVISION FOR EMPLOYEE BENEFITS				
Provision for employee stock options (cash settled)*	4.32	5.73	2.80	1.44
Provision for gratuity (refer note 27)	-	-	20.38	17.72
Provision for compensated absences	-	-	17.83	17.21
	4.32	5.73	41.01	36.37
OTHER PROVISIONS				
Provision for site restoration**	1,065.68	952.31	-	-
Provision for meeting obligations of subsidiary ***	-	-	-	259.92
Provision for taxation (net of advance tax)	-	-	-	24.56
Proposed equity dividend	-	-	562.46	749.94
Provision for tax on proposed equity dividend	-	-	114.50	149.94
	1,065.68	952.31	676.96	1,184.36
	1,070.00	958.04	717.97	1,220.73
			31 March 2016	31 March 2015
* PROVISION FOR EMPLOYEE STOCK OPTIONS (CASH SETTLED) [REFER NOTE 2.1 (q) ABOVE]				
Opening Balance			7.17	7.78
Additions for the year			1.32	1.67
Payments during the year			-	(0.19)
Reversed during the year			(1.37)	(2.09)
Closing Balance			7.12	7.17
** PROVISION FOR SITE RESTORATION [REFER NOTE 2.1 (b) ABOVE]				
Opening balance			952.31	1,689.77
Additions during the year			113.37	20.82
Reversed during the year			-	(758.28)
Closing balance			1,065.68	952.31

*** The Company had created a provision for meeting certain financial obligations of one of its subsidiaries CMHPL. As part of internal re-organization, the said subsidiary was transferred to CEHC, another wholly owned subsidiary of the Company and the above obligation was discharged for a total of ₹ 264.23 crore.

6. OTHER CURRENT LIABILITIES

	31 March 2016	31 March 2015
TRADE PAYABLES		
Total outstanding dues of micro enterprises and small enterprises (refer note 34 for details of dues to micro and small enterprises)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	774.60	718.66
	774.60	718.66
OTHER LIABILITIES		
Others		
Statutory dues payable	75.64	98.48
Interest accrued on other than borrowings	13.36	79.60
Profit petroleum payable	273.58	72.59
Unpaid/unclaimed dividend	287.85	213.95
Liabilities for fixed assets	1,045.94	1,384.93
	1,696.37	1,849.55
	2,470.97	2,568.21

AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

7. TANGIBLE ASSETS

	Freehold land	Leasehold land	Buildings	Plant and machinery	Office equipments	Furniture & fixtures	Leasehold improvements	Vehicles	Oil and gas producing facilities	Total
COST OR VALUATION										
At 1 April 2014	1.91	85.59	771.02	3,515.02	147.92	15.11	28.16	3.98	5,548.19	10,116.90
Additions for the year	-	3.00	211.22	1,420.04	86.46	72.78	49.83	1.49	671.76	2,516.58
Disposals	-	-	-	(0.76)	(18.49)	(4.18)	-	-	(758.28)	(781.71)
At 31 March 2015	1.91	88.59	982.24	4,934.30	215.89	83.71	77.99	5.47	5,461.67	11,851.77
Additions for the year	8.40	-	24.18	349.28	10.24	0.54	-	-	1,065.45	1,458.09
Disposals	-	-	-	-	(14.31)	(16.32)	(1.53)	-	-	(32.16)
At 31 March 2016	10.31	88.59	1,006.42	5,283.58	211.82	67.93	76.46	5.47	6,527.12	13,277.70
DEPRECIATION AND DEPLETION										
At 1 April 2014	-	27.85	206.43	1,218.52	97.53	5.78	28.15	1.60	3,564.21	5,150.07
Charge for the year	-	31.07	325.50	1,444.11	23.24	13.75	2.08	2.03	566.89	2,408.67
Disposals	-	-	-	(0.11)	(7.71)	(2.64)	-	-	-	(20.46)
At 31 March 2015	-	58.92	531.93	2,662.52	103.06	16.89	30.23	3.63	4,131.10	7,538.28
Charge for the year	-	8.41	132.41	719.61	36.38	17.48	8.30	0.49	692.73	1,615.81
Disposals	-	-	-	(0.03)	(13.71)	(16.32)	(1.53)	-	-	(31.59)
At 31 March 2016	-	67.33	664.34	3,382.10	125.73	18.05	37.00	4.12	4,823.83	9,122.50
NET BLOCK										
At 31 March 2015	1.91	29.67	450.31	2,271.78	112.83	66.82	47.76	1.84	1,330.57	4,313.49
At 31 March 2016	10.31	21.26	342.08	1,901.48	86.09	49.88	39.46	1.35	1,703.29	4,155.20

The above gross block includes ₹ 13,047.78 (31 March 2015: ₹ 11,618.55 crore) jointly owned with the joint venture partners. Accumulated depreciation on these assets is ₹ 8,976.71 crore (31 March 2015: ₹ 7,399.85 crore) and net book value is ₹ 4,071.16 crore (31 March 2015: ₹ 4,218.70 crore).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

8. INTANGIBLE ASSETS

	Computer Software	Total
GROSS BLOCK		
At 1 April 2014	160.40	160.40
Additions for the year	17.56	17.56
Deletions	(2.13)	(2.13)
At 31 March 2015	175.83	175.83
Additions for the year	10.17	10.17
Deletions	(5.21)	(5.21)
At 31 March 2016	180.79	180.79
AMORTIZATION		
At 1 April 2014	121.22	121.22
Charge for the year	32.01	32.01
Deletions	(2.09)	(2.09)
At 31 March 2015	151.14	151.14
Charge for the year	18.86	18.86
Deletions	(5.21)	(5.21)
At 31 March 2016	164.79	164.79
At 31 March 2015	24.69	24.69
At 31 March 2016	16.00	16.00

9. DEVELOPMENT AND EXPLORATION ASSETS IN PROGRESS/UNDER DEVELOPMENT

9.1 Development capital work in progress

	31 March 2016	31 March 2015
Opening balance	1,147.38	1,769.10
Add: Additions for the year	550.39	1,659.89
Add: Additions from exploration intangible assets under development	234.78	-
Less: Transferred to tangible assets	(1296.29)	(2281.61)
Less: Impairment loss*	(9.23)	-
Closing balance**	627.03	1,147.38

9.2 Exploration intangible assets under development

	31 March 2016	31 March 2015
Opening balance	1,888.69	1,022.26
Add: Additions for the year	258.63	1,689.09
Less: Transferred to development capital work in progress	(234.78)	-
Less: Exploration costs written off	(139.29)	(822.66)
Less: Impairment loss*	(271.31)	-
Closing balance	1,501.94	1,888.69

*Due to fall in crude oil prices in the international market, the management is continuously reassessing its future strategy and is carrying on development and exploration only in regions where it believes that the reserves and resources are commercially viable. Accordingly, development and exploration activities have been suspended in certain fields and management has assessed the recoverable value of the entire oil and gas blocks to which they relate, being separate CGUs. The recoverable amounts have been determined based on the fair value less costs of disposal approach using the discounted cash flow technique, wherever the CGUs included some producing assets. For all other CGUs, where there are no oil and gas producing assets and activities have been suspended the recoverable amounts have been assessed as nil.

** represents ₹ 5718 crore (31 March 2015: ₹ 399.65 crore) relating to oil and gas producing facilities and ₹ 569.85 crore (31 March 2015: ₹ 747.73 crore) relating to other tangible assets.

AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

10. NON-CURRENT INVESTMENTS

	31 March 2016	31 March 2015
TRADE INVESTMENTS (valued at cost unless stated otherwise)		
Unquoted instruments		
Investment in subsidiaries		
42.08 crore (31 March 2015: 42.08 crore) Equity shares of GBP 1 each fully paid-up in Cairn India Holdings Limited (CIHL)*	15,089.70	15,089.70
Nil (31 March 2015: 19.25 crore) Equity shares of USD 1 each fully paid-up in CIG Mauritius Holding Private Limited (CMHPL)	-	949.76
Less: Diminution in value of investment**	-	(949.76)
	15,089.70	15,089.70
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	15,089.70	15,089.70

* CIHL holds interest in RJ-ON-90/1 oil and gas field, through a step down subsidiary. The Production Sharing Contract ('PSC') for the said field provides for an extension of the contract by a maximum period of ten years, in case there is a continued production of commercial natural gas from the said field. Since the management expects to continue with the production and sale of natural gas for a period of ten years even after the completion of the initial contract period, they believe that market participants would consider cash flows from the said asset for the said additional period of ten years as well without any modification in the term of PSC, and the same has been confirmed by independent legal opinions available with the Company. For the purpose of determining future cash flows from RJ-ON-90/1, the Company has used assumption for short-term (four years) oil price which scales upto US\$ 70 per barrel by May 2020 as per consensus of various analyst recommendations. Thereafter, oil price has been escalating at a rate of 2.5% p.a.. The cash flows are discounted using the post-tax nominal discount rate of 11.00% and factors in the risks associated with the business including extension of the PSC, which is due for renewal in May 2020.

Basis the above valuation and also considering the fact that CIHL and its subsidiaries have other assets, the cumulative value of which exceeds the carrying value of the investments, the Company believes that there is no long term diminution in the carrying value of its investments in CIHL.

**The Company's investment in CMHPL was for funding the operations of an oil and gas block in Sri Lanka, held by CMHPL's step down subsidiary, Cairn Lanka Private limited. Given the level of gas prices and fiscal terms, the development of hydrocarbons in the said block was not commercially viable. Therefore, the value of the investment had been considered as permanently diminished in the previous year. The said subsidiary has been transferred during the year.

11. DEFERRED TAX LIABILITIES (Net)

	31 March 2016	31 March 2015
DEFERRED TAX LIABILITIES		
Fixed assets: Impact of difference between tax depreciation and book depreciation/amortization and impairment charged for the financial reporting	495.17	617.97
Gain on sale of bonus units of Mutual Fund taxable in future years	88.02	115.43
Gross deferred tax liabilities	583.19	733.40
DEFERRED TAX ASSETS		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	15.63	12.06
Brought forward capital losses	88.02	44.24
Provision for diminution in long term investment	-	71.20
Gross deferred tax assets	103.65	127.50
Net deferred tax liabilities	479.54	605.90

In accordance with the provisions of Accounting Standard 22 'Accounting for taxes on income', the Company would have had deferred tax assets of ₹ 256.27 crore (31 March 2015: ₹ 144.02 crore) in respect of additional accumulated capital losses. However, as the management is not virtually certain of subsequent realization of the asset, the same has not been recognized in these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

12. LOANS AND ADVANCES

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
UNSECURED AND CONSIDERED GOOD				
Capital advances	8.51	91.85	-	-
Security deposit	23.27	25.87	4.58	8.80
Advance to related parties (refer note 30)	-	-	5.86	0.16
Advances recoverable in cash or kind	-	-	2,000.33	1,496.31
	31.78	117.72	2,010.77	1,505.27
UNSECURED AND CONSIDERED DOUBTFUL				
Advances recoverable in cash or kind	-	-	199.67	155.19
Less: provision	-	-	(199.67)	(155.19)
	-	-	-	-
OTHER LOANS AND ADVANCES (unsecured and considered good)				
Advance income-tax (net of provision)	252.72	151.10	-	-
Recoverable from statutory authorities	64.53	37.68	-	-
Safeguard duty paid under protest	-	9.23	9.23	-
MAT credit entitlement	3,493.95	3,949.14	162.14	-
Fringe benefit tax paid (net of provision)	-	-	0.14	0.14
Prepaid expenses	-	-	19.72	26.09
	3,811.20	4,147.15	191.23	26.23
	3,842.98	4,264.87	2,202.00	1,531.50

Notes:

- Recoverable from statutory authorities includes ₹ 30.00 crore (31 March 2015: ₹ 30.00 crore) on account of education and secondary and higher education cess paid for the financial year 2013-14, for which the Company has filed the refund applications pursuant to circular no 978/2/2014-CX issued by Central Board of Excise & Customs. The said refund applications have been rejected by the tax authorities, which have been appropriately challenged by the Company before Commissioner (Appeal), and also a writ petition has been filed before Honorable Rajasthan High Court.
- Considering the current business plans, including production profiles, oil price forecast and management's expectation of an extension of the RJ-ON-90/1 PSC (refer note 10 above), the Company expects to recover the amount of MAT credit entitlement over its stipulated period of ten years from origination.
- During the current year, the Company has utilized MAT credit aggregating to ₹ 251.72 crore (31 March 2015: Nil) which has been set off against provision for tax. This comprises of ₹ 250.60 crore shown as a current tax charge and ₹ 1.12 crore adjusted against General Reserve.

13. TRADE RECEIVABLES

	Current	
	31 March 2016	31 March 2015
UNSECURED AND CONSIDERED GOOD		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	138.80	620.03
	138.80	620.03

14. OTHER ASSETS

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
UNSECURED AND CONSIDERED GOOD				
Non-current bank balances (refer note 17)	235.05	172.68	-	-
Non-current inventory of stores and spares (refer note 16)	342.36	362.27	-	-
Revenue received short of entitlement interest	-	-	9.01	4.36
Insurance claim receivable	-	-	-	8.72
Interest accrued on deposits and investments	-	-	268.15	122.64
	577.41	534.95	277.16	135.72

AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

15. CURRENT INVESTMENTS (valued at lower of cost and fair value)

	31 March 2016	31 March 2015
Quoted mutual funds	3,653.04	4,705.65
Quoted bonds	3,353.29	3,086.42
Quoted Commercial Paper	243.84	-
Unquoted mutual funds	4,837.63	4,413.68
Unquoted certificate of deposits	-	97.19
	12,087.80	12,302.94
Aggregate amount of quoted investments [Market value: ₹ 7,940.12 crore (31 March 2015: ₹ 8,313.18 crore)]	7,250.17	7,792.07
Aggregate amount of unquoted investments	4,837.63	4,510.87
	12,087.80	12,302.94

The details of investments are as under :

QUOTED MUTUAL FUNDS

	31 March 2016
1 7.5 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series - JQ (368 Days) - Direct under Birla Mutual Fund - Growth Plan	75.00
2 2.7 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan - Series KA (415 days) - Direct under Birla Mutual Fund - Growth Plan	26.99
3 5.0 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series KE (412 Days) - Direct under Birla Mutual Fund - Growth Plan	50.00
4 3.6 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series KR (385 days) - Direct under Birla Mutual Fund - Growth Plan	36.29
5 9.3 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series LG (367 days) - Direct under Birla Mutual Fund - Growth Plan	93.19
6 3.5 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series LJ (366 Days) - Direct under Birla Mutual Fund - Growth Plan	34.77
7 7.5 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series MD (1099 Days) under Birla Mutual Fund - Growth Plan	75.00
8 4.0 crore units of ₹ 10 each of DWS Fixed Maturity Plan Series 45 - Direct Plan under DWS Mutual Fund - Growth Plan	40.00
9 3.6 crore units of ₹ 10 each of DWS Fixed Maturity Plan Series 57 - Direct Plan under DWS Mutual Fund - Growth Plan	36.38
10 5.0 crore units of ₹ 10 each of DWS Fixed Maturity Plan - Series 85 (1100 days) under DWS Mutual Fund - Growth Plan	50.00
11 6.5 crore units of ₹ 10 each of HDFC FMP 369D January 2014 (1) Series 29 - Direct under HDFC Mutual Fund - Growth Plan	64.61
12 4.1 crore units of ₹ 10 each of HDFC FMP 372D February 2014 (1) Series 29 - Direct under HDFC Mutual Fund - Growth Plan	40.76
13 35.0 crore units of ₹ 10 each of HDFC FMP 1114 D March 2016 (1) Series 35 - Direct under HDFC Mutual Fund - Growth Plan	350.00
14 3.5 crore units of ₹ 10 each of HDFC FMP 1157 D Feb 2015(1) - Direct under HDFC Mutual Fund - Growth Plan	35.00
15 6.8 crore units of ₹ 10 each of ICICI Prudential FMP Series 68 368 Days Plan G under ICICI Mutual Fund - Growth Plan	67.59
16 7.3 crore units of ₹ 10 each of ICICI Prudential FMP Series 68 - 369 Days Plan I under ICICI Mutual Fund - Growth Plan	73.10
17 5.0 crore units of ₹ 10 each of ICICI Prudential FMP series 72 - 483 Days Plan J - Direct under ICICI Mutual Fund - Growth Plan	50.00
18 5.0 crore units of ₹ 10 each of ICICI Prudential FMP Series 73 - 407 Days Plan C - Direct under ICICI Mutual Fund - Growth Plan	50.00
19 8.2 crore units of ₹ 10 each of ICICI Prudential FMP Series 73 - 391 Days Plan G - Direct under ICICI Mutual Fund - Growth Plan	81.70
20 6.0 crore units of ₹ 10 each of ICICI Prudential FMP Series 74 - 369 Days Plan F - Direct under ICICI Mutual Fund - Growth Plan	60.00
21 7.0 crore units of ₹ 10 each of ICICI Prudential FMP Series 74 - 367 Days Plan D - Direct under ICICI Mutual Fund - Growth Plan	70.00
22 5.0 crore units of ₹ 10 each of ICICI Prudential Fixed Maturity Plan - Series 75 - 1103 Days Plan P - Direct under ICICI Mutual Fund - Growth Plan	50.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

QUOTED MUTUAL FUNDS CONTINUED...

		31 March 2016
23	4.0 crore units of ₹ 10 each of ICICI Prudential FMP series 76 - 1103 Days Plan F - Direct under ICICI Mutual Fund - Growth Plan	40.00
24	5.0 crore units of ₹ 10 each of ICICI Prudential FMP series 76 - 1100 Days Plan G - Direct under ICICI Mutual Fund - Growth Plan	50.00
25	5.0 crore units of ₹ 10 each of ICICI Prudential Fixed Maturity Plan - Series 75 - 1100 Days Plan R - Direct under ICICI Mutual Fund - Growth Plan	50.00
26	5.0 crore units of ₹ 10 each of ICICI Prudential FMP series 76 - 1155 Days Plan K- Direct under ICICI Mutual Fund - Growth Plan	50.00
27	4.0 crore units of ₹ 10 each of ICICI Prudential FMP series 76 - 1132 Days Plan P- Direct under ICICI Mutual Fund - Growth Plan	40.00
28	4.4 crore units of ₹ 10.87 each of IDFC Yearly Series Interval Fund-Series 1 - Direct under IDFC Mutual Fund - Growth Plan	48.30
29	5.4 crore units of ₹ 10 each of Kotak FMP Series 105 - Direct under Kotak Mutual Fund - Growth Plan	54.45
30	3.9 crore units of ₹ 10 each of Kotak FMP Series 106 - 370 Days - Direct under Kotak Mutual Fund - Growth Plan	39.02
31	5.5 crore units of ₹ 10 each of Kotak FMP Series 136 - Direct under Kotak Mutual Fund - Growth Plan	54.51
32	5.0 crore units of ₹ 10 each of Kotak FMP Series 141 - Direct under Kotak Mutual Fund - Growth Plan	50.00
33	3.7 crore units of ₹ 10 each of Kotak FMP Series 147 - 384 Days - Direct under Kotak Mutual Fund - Growth Plan	37.27
34	3.7 crore units of ₹ 10 each of Kotak FMP Series 158 - 370 Days - Direct under Kotak Mutual Fund - Growth Plan	37.40
35	3.5 crore units of ₹ 10 each of Kotak FMP Series 159 - 370 Days - Direct under Kotak Mutual Fund - Growth Plan	35.00
36	4.0 crore units of ₹ 10 each of Kotak FMP Series 171 - Direct under Kotak Mutual Fund - Growth Plan	40.00
37	4.9 crore units of ₹ 10 each of Reliance Yearly Interval Fund - Series 8 - Direct under Reliance Mutual Fund - Growth Plan	49.03
38	4.4 crore units of ₹ 10 each of Reliance Fixed Horizon Fund - XXIV Series 4 - Direct under Reliance Mutual Fund - Growth Plan	44.48
39	3.5 crore units of ₹ 10 each of Reliance Interval Fund II - Series I - Direct under Reliance Mutual Fund - Growth Plan	34.70
40	26.8 crore units of ₹ 11.21 each of Reliance Yearly Interval Fund -Series - 1 - Direct under Reliance Mutual Fund - Growth Plan	300.00
41	13.3 crore units of ₹ 11.24 each of Reliance Yearly Interval Fund - Series 2 - Direct under Reliance Mutual Fund - Growth Plan	150.00
42	4.2 crore units of ₹ 10.95 each of Reliance Yearly Interval Fund - Series 3 - Direct under Reliance Mutual Fund - Growth Plan	46.10
43	3.5 crore units of ₹ 10 each of Reliance FHF XXVI Series 12 - Direct under Reliance Mutual Fund - Growth Plan	34.75
44	5.2 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXVI Series 17 - Direct under Reliance Mutual Fund - Growth Plan	52.10
45	5.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund - XXVIII - Series 4 - Direct under Reliance Mutual Fund - Growth Plan	50.00
46	3.5 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXVI Series 19 - Direct under Reliance Mutual Fund - Growth Plan	34.74
47	4.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund - XXVIII - Series 7 - Direct under Reliance Mutual Fund - Growth Plan	40.00
48	7.5 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXVIII Series 10 - Direct under Reliance Mutual Fund - Growth Plan	75.00
49	3.0 crore units of ₹ 10 each of Religare Invesco FMP - Series 22 - Plan H - Direct under Religare Mutual Fund - Growth Plan	30.00
50	3.5 crore units of ₹ 10 each of Religare Invesco FMP - Series 23 - Plan H (370 Days) - Direct under Religare Mutual Fund - Growth Plan	35.00
51	3.5 crore units of ₹ 10 each of Religare Invesco Fixed Maturity Plan - Series 25 - Plan A (1098 days) - Direct under Religare Mutual Fund - Growth Plan	35.00
52	4.5 crore units of ₹ 10 each of Religare Invesco Fixed Maturity Plan - Series 25 - Plan C (1148 Days) - Direct under Religare Mutual Fund - Growth Plan	45.00
53	4.0 crore units of ₹ 10 each of Religare Invesco Fixed Maturity Plan Series 25 - Plan D - Direct under Religare Mutual Fund - Growth Plan	40.40
54	3.5 crore units of ₹ 10 each of Tata Fixed Maturity Plan Series 46 Scheme M - Direct under Tata Mutual Fund - Growth Plan	35.00
55	4.0 crore units of ₹ 10 each of Tata Fixed Maturity Plan Series 46 Scheme T - Direct under Tata Mutual Fund - Growth Plan	40.36
56	4.6 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XIX - III (368 days) - Direct under UTI Mutual Fund - Growth Plan	45.85

AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

QUOTED MUTUAL FUNDS CONTINUED...

		31 March 2016
57	4.9 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XIX - VI (366 days) - Direct under UTI Mutual Fund - Growth Plan	48.62
58	7.5 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XIX - IX (369 days) - Direct under UTI Mutual Fund - Growth Plan	75.00
59	5.0 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XIX - XI (366 days) - Direct under UTI Mutual Fund - Growth Plan	50.00
60	7.6 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XXI - XI (1112 days) - Direct under UTI Mutual Fund - Growth Plan	75.58
61	5.0 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XX - VIII (1105 days) - Direct under UTI Mutual Fund - Growth Plan	50.00
Total		3,653.04

QUOTED BONDS

		31 March 2016
1	1,000 units of ₹ 1,000,000 each fully paid of 8.46% India Infrastructure Finance Company Ltd Tax Free bond	115.43
2	1,000 units of ₹ 1,000,000 each fully paid of 8.48% India Infrastructure Finance Company Ltd Tax Free bond	100.02
3	1 000000 units of ₹. 1,000 each fully paid of 8.55% India Infrastructure Finance Company Ltd Tax Free bond	100.00
4	5,000,000 units of ₹. 1,000 each fully paid of 7.18% India Railways Finance Corporation Ltd Tax Free bond	503.71
5	1,500 units of ₹ 1,000,000 each fully paid of 8.48% National Highway Authority of India Tax Free bond	149.81
6	571,396 units of ₹ 1,000 each fully paid of 7.35% National Highway Authority of India Tax Free bond	57.14
7	180,492 units of ₹ 5,000 each fully paid of 8.63% National Housing Bank Tax Free bond 127,685 units of Rs. 5,000 each fully paid of 8.68% National Housing Bank Tax Free bond	90.25
8	127,685 units of ₹ 5,000 each fully paid of 8.68% National Housing Bank Tax Free bond	63.84
9	395,812 units of ₹ 1,000 each fully paid of 8.48% NTPC Tax Free bond	39.58
10	400,000 units of ₹ 1,000 each fully paid of 8.63% NTPC Tax Free bond	40.01
11	971,671 units of ₹ 1,000 each fully paid of 8.54% Power Finance Corporation Limited Tax Free bond	97.17
12	420,000 units of ₹ 1,000 each fully paid of 8.46% Rural Electrification Corporation Ltd Tax Free bond	42.02
13	250,000 units of ₹ 1,000 each fully paid of 0% Axis Finance Ltd bonds	25.00
14	500,000 units of ₹ 1,000 each fully paid of 0% Fullerton India Credit Company Ltd bonds	50.00
15	500,000 units of ₹ 1,000 each fully paid of 0% HDB Financial Services Limited bonds	50.00
16	750,000 units of ₹ 1,000 each fully paid of 0% HDB Financial Services Limited bonds	75.00
17	750,000 units of ₹ 1,000 each fully paid of 0% HDB Financial Services Limited bonds	74.61
18	500,000 units of ₹ 1,000 each fully paid of 0% HDB Financial Services Limited bonds	49.79
19	500,000 units of ₹ 1,000 each fully paid of 0% HDB Financial Services Limited bonds	49.82
20	750,000 units of ₹ 1,000 each fully paid of 0% Housing and Urban Development Corporation Limited bonds	105.19
21	250,000 units of ₹ 1,000 each fully paid of 0% Housing and Urban Development Corporation Limited bonds	31.54
22	1,000,000 units of ₹ 1,000 each fully paid of 0% Housing and Urban Development Corporation Limited bonds	127.07
23	250,000 units of ₹ 1,000 each fully paid of 0% Housing and Urban Development Corporation Limited bonds	31.39
24	250 units of ₹ 1,000,000 each fully paid of 0% Housing and Urban Development Corporation Limited bonds	31.76
25	1,000,000 units of ₹ 1,000 each fully paid of 0% Housing and Urban Development Corporation Limited bonds	121.58
26	1,000 units of ₹ 500,000 each fully paid of 0% ICICI Home Finance bonds	50.00
27	1,000 units of ₹ 500,000 each fully paid of 0% ICICI Home Finance bonds	50.00
28	1,000 units of ₹ 1,000,000 each fully paid of 0% IDFC Ltd bonds	100.00
29	500,000 units of ₹ 1,000 each fully paid of 0% IL&FS Ltd bonds	50.00
30	500,000 units of ₹ 1,000 each fully paid of 0% IL&FS Ltd bonds	50.03
31	500,000 units of ₹ 1,000 each fully paid of 0% Kotak Mahindra Prime Ltd bonds	50.00
32	500,000 units of ₹ 1,000 each fully paid of 0% Kotak Mahindra Prime Ltd bonds	49.98
33	500,000 units of ₹ 1,000 each fully paid of 0% Kotak Mahindra Prime Ltd bonds	49.96
34	500,000 units of ₹ 1,000 each fully paid of 0% Kotak Mahindra Prime Ltd bonds	49.99
35	2,250 units of ₹ 1,000,000 each fully paid of 0% LIC Housing Finance bonds	231.75
36	1 000 units of ₹ 1,000,000 each fully paid of 0% LIC Housing Finance bonds	100.00
37	500,000 units of ₹ 1,000 each fully paid of 0% M&M bonds	50.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

QUOTED BONDS CONTINUED...

		31 March 2016
38	500,000 units of ₹ 1,000 each fully paid of 0% Mahindra & Mahindra bonds	50.00
39	500,000 units of ₹ 1,000 each fully paid of 0% Mahindra & Mahindra bonds	50.00
40	500,000 units of ₹ 1,000 each fully paid of 0% Mahindra & Mahindra bonds	49.93
41	500,000 units of ₹ 1,000 each fully paid of 0% Reliance Capital Ltd bonds	49.96
42	500,000 units of ₹ 1,000 each fully paid of 0% Reliance Capital Ltd bonds	49.96
	Total	3,353.29

QUOTED COMMERCIAL PAPER

		31 March 2016
1	5,000 units of ₹ 500,000 each fully paid of 0% RIL Infrastructure Limited Commercial Paper	243.84

UNQUOTED MUTUAL FUNDS

		31 March 2016
1	0.4 crore units of ₹ 98.2 each of DWS Insta Cash Plus Fund - Dir Plan - Annual Bonus under DWS Mutual Fund - Bonus Plan	39.39
2	0.0 crore units of ₹ 2,386,232,796,193.5 each of ICICI Prudential Money Market Fund under ICICI Mutual Fund - Growth Plan	238.62
3	0.1 crore units of ₹ 8072.4 each of Kotak Floater - Short Term - Dir under Kotak Mutual Fund - Growth Plan	490.15
4	12.9 crore units of ₹ 9 each of Sundaram Money Fund Direct Plan - Bonus under Sundaram Mutual Fund - Bonus Plan	116.30
5	14.2 crore units of ₹ 8.8 each of Axis Short Term Fund - Dir - Growth under Axis Mutual Fund - Growth Plan	125.00
6	14.2 crore units of ₹ 7 each of Axis Short Term Fund - Dir - Growth under Axis Mutual Fund - Growth Plan	100.00
7	1.1 crore units of ₹ 47.4 each of Birla Sun Life Short Term Fund - Dir under Birla Mutual Fund - Growth Plan	50.00
8	0.3 crore units of ₹ 171.9 each of Birla Sun Life Treasury Optimizer Plan - Dir under Birla Mutual Fund - Growth Plan	50.00
9	4.2 crore units of ₹ 11.8 each of DWS Medium Term Income Fund - Dir - Growth under DWS Mutual Fund - Growth Plan	50.00
10	6.9 crore units of ₹ 14.5 each of HDFC Medium Term Fund - Dir under HDFC Mutual Fund - Growth Plan	100.00
11	9.6 crore units of ₹ 8.3 each of HDFC Short Term Opportunities Fund - Dir under HDFC Mutual Fund - Growth Plan	80.00
12	9.6 crore units of ₹ 7.8 each of HDFC Short Term Opportunities Fund - Dir under HDFC Mutual Fund - Growth Plan	75.00
13	5.0 crore units of ₹ 20.2 each of ICICI Prudential Blended Plan - Plan B under Mutual Fund - Growth Plan	100.00
14	12.6 crore units of ₹ 9.9 each of ICICI Prudential Banking and PSU Debt Fund - Dir under ICICI Mutual Fund - Growth Plan	125.00
15	12.6 crore units of ₹ 6.1 each of ICICI Prudential Banking and PSU Debt Fund - Dir under ICICI Mutual Fund - Growth Plan	77.00
16	3.6 crore units of ₹ 28 each of Kotak Bond - Short Term - Dir under Kotak Mutual Fund - Growth Plan	100.00
17	14.2 crore units of ₹ 21.2 each of Reliance Floating Rate Fund Short Term Plan - Dir under Reliance Mutual Fund - Growth Plan	300.00
18	1.7 crore units of ₹ 28.6 each of IDFC Super Saver Income Fund-Short Term Plan- Dir under IDFC Mutual Fund - Growth Plan	50.00
19	7.5 crore units of ₹ 10 each of IDFC Corporate Bond Fund- Dir under IDFC Mutual Fund - Growth Plan	75.00
20	0.0 crore units of ₹ 1881.5 each of Religare Invesco Short Term Fund - Dir under Religare Mutual Fund - Growth Plan	50.00
21	4.7 crore units of ₹ 26.8 each of Tata Short Term Bond Fund - Dir - Growth under Tata Mutual Fund - Growth Plan	125.00
22	1.7 crore units of ₹ 219.2 each of Birla Sun Life Saving Fund - Direct under Birla Mutual Fund - Growth Plan	375.88
23	3.7 crore units of ₹ 214.5 each of ICICI Prudential Flexible Income Plan - Direct under ICICI Mutual Fund - Growth Plan	784.45
24	11.8 crore units of ₹ 10.1 each of JM Money Manager Fund - Super Plus Plan (Direct) - Bonus Option - Principal Units (512) under JM Mutual Fund - Bonus Plan	119.28
25	3.2 crore units of ₹ 9.7 each of JP Morgan India Treasury Fund - Bonus Plan - Direct under JP Mutual Fund - Bonus Plan	31.26
26	7.4 crore units of ₹ 12.2 each of L&T Ultra Short Term-Bonus Plan - Direct under L&T Mutual Fund - Bonus Plan	90.91
27	0.3 crore units of ₹ 1570.4 each of Reliance Money Manager Fund - Direct under Reliance Mutual Fund - Growth Plan	411.25
28	0.2 crore units of ₹ 1475.2 each of SBI SHDF - Ultra Short Term Fund - Direct under SBI Mutual Fund - Growth Plan	321.00
29	0.1 crore units of ₹ 1551.1 each of UTI Treasury Advantage - Direct under UTI Mutual Fund - Growth Plan	187.14
	Total	4,837.63

AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

QUOTED MUTUAL FUNDS

		31 March 2015
1	8.0 crore units of ₹ 10 each of Axis Fixed Term Plan - Series 55 - Dir under Axis Mutual Fund - Growth Plan	80.00
2	4.0 crore units of ₹ 10 each of Axis Fixed Term Plan - Series 60 (389 Days) - Dir under Axis Mutual Fund - Growth Plan	40.00
3	7.5 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series - JQ (368 Days) under Birla Mutual Fund - Growth Plan	75.00
4	6.0 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan - Series KA (415 days) - Dir under Birla Mutual Fund - Growth Plan	60.00
5	5.0 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series KE (412 Days) - Dir under Birla Mutual Fund - Growth Plan	50.00
6	9.0 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series KR (385 days) - Dir under Birla Mutual Fund - Growth Plan	90.00
7	10.0 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series LG (367 days) - Dir under Birla Mutual Fund - Growth Plan	100.00
8	5.0 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series LJ (366 Days) - Dir under Birla Mutual Fund - Growth Plan	50.00
9	7.5 crore units of ₹ 10 each of Birla Sun Life Fixed Term Plan Series MD (1099 Days) under Birla Mutual Fund - Growth Plan	75.00
10	3.0 crore units of ₹ 10 each of DSP BlackRock FTP Series 36 15 M - Dir under DSP Mutual Fund - Growth Plan	30.00
11	3.4 crore units of ₹ 10 each of DWS Interval Fund - Annual Plan Series 1 under DWS Mutual Fund - Growth Plan	34.06
12	4.0 crore units of ₹ 10 each of DWS Fixed Maturity Plan Series 45 - Direct Plan under DWS Mutual Fund - Growth Plan	40.00
13	8.0 crore units of ₹ 10 each of DWS Fixed Maturity Plan Series 57 - Direct Plan under DWS Mutual Fund - Growth Plan	80.00
14	5.0 crore units of ₹ 10 each of DWS Fixed Maturity Plan - Series 85 (1100 days) under DWS Mutual Fund - Growth Plan	50.00
15	6.5 crore units of ₹ 10 each of HDFC FMP 369D January 2014 (1) Series 29 - Dir under HDFC Mutual Fund - Growth Plan	64.61
16	4.1 crore units of ₹ 10 each of HDFC FMP 372D February 2014 (1) Series 29 - Direct under HDFC Mutual Fund - Growth Plan	40.76
17	3.5 crore units of ₹ 10 each of HDFC FMP 453D February 2014 (1) Series 29 - Direct under HDFC Mutual Fund - Growth Plan	35.00
18	3.5 crore units of ₹ 10 each of HDFC FMP 1157 D Feb 2015(1) - Direct under HDFC Mutual Fund - Growth Plan	35.00
19	6.8 crore units of ₹ 10 each of ICICI Prudential FMP Series 68 368 Days Plan G under ICICI Mutual Fund - Growth Plan	67.59
20	7.3 crore units of ₹ 10 each of ICICI Prudential FMP Series 68 - 369 Days Plan I under ICICI Mutual Fund - Growth Plan	73.00
21	5.0 crore units of ₹ 10 each of ICICI Prudential FMP series 72 - 483 Days Plan J - Dir under ICICI Mutual Fund - Growth Plan	50.00
22	5.0 crore units of ₹ 10 each of ICICI Prudential FMP series 72 - 440 Days Plan L - Direct under ICICI Mutual Fund - Growth Plan	50.00
23	5.0 crore units of ₹ 10 each of ICICI Prudential FMP Series 73 - 407 Days Plan C - Dir under ICICI Mutual Fund - Growth Plan	50.00
24	8.2 crore units of ₹ 10 each of ICICI Prudential FMP Series 73 - 391 Days Plan G - Dir under ICICI Mutual Fund - Growth Plan	81.70
25	3.2 crore units of ₹ 10 each of ICICI Prudential Interval Fund Series VI Annual Interval Plan C - Dir under ICICI Mutual Fund - Growth Plan	35.44
26	5.0 crore units of ₹ 10 each of ICICI Prudential FMP Series 73 - 369 Days Plan T - Dir under ICICI Mutual Fund - Growth Plan	50.00
27	6.0 crore units of ₹ 10 each of ICICI Prudential FMP Series 74 - 369 Days Plan F - Dir under ICICI Mutual Fund - Growth Plan	60.00
28	7.0 crore units of ₹ 10 each of ICICI Prudential FMP Series 74 - 367 Days Plan D - Dir under ICICI Mutual Fund - Growth Plan	70.00
29	4.2 crore units of ₹ 10 each of ICICI Prudential FMP Series 74 - 369 Days Plan I - Dir under ICICI Mutual Fund - Growth Plan	42.30
30	5.0 crore units of ₹ 10 each of ICICI Prudential Fixed Maturity Plan - Series 75 - 1103 Days Plan P under ICICI Mutual Fund - Growth Plan	50.00
31	4.0 crore units of ₹ 10 each of ICICI Prudential FMP series 76 - 1103 Days Plan F - Dir under ICICI Mutual Fund - Growth Plan	40.00
32	5.0 crore units of ₹ 10 each of ICICI Prudential FMP series 76 - 1100 Days Plan G - Dir under ICICI Mutual Fund - Growth Plan	50.00
33	5.0 crore units of ₹ 10 each of ICICI Prudential Fixed Maturity Plan - Series 75 - 1100 Days Plan R under ICICI Mutual Fund - Growth Plan	50.00
34	5.0 crore units of ₹ 10 each of ICICI Prudential FMP series 76 - 1155 Days Plan K- Dir under ICICI Mutual Fund - Growth Plan	50.00
35	4.0 crore units of ₹ 10 each of ICICI Prudential FMP series 76 - 1132 Days Plan P- Dir under ICICI Mutual Fund - Growth Plan	40.00
36	4.4 crore units of ₹ 10 each of IDFC Yearly Series Interval Fund-Series 1 - Dir under IDFC Mutual Fund - Growth Plan	48.30
37	4.5 crore units of ₹ 10 each of JP Morgan India Fixed Maturity Plan Series 30 - Dir under JP Mutual Fund - Growth Plan	45.00
38	5.4 crore units of ₹ 10 each of Kotak FMP Series 105 under Kotak Mutual Fund - Growth Plan	54.45
39	3.9 crore units of ₹ 10 each of Kotak FMP Series 106 - 370 Days under Kotak Mutual Fund - Growth Plan	39.02
40	5.5 crore units of ₹ 10 each of Kotak FMP Series 136 - Dir under Kotak Mutual Fund - Growth Plan	54.51
41	5.0 crore units of ₹ 10 each of Kotak FMP Series 141 - Dir under Kotak Mutual Fund - Growth Plan	50.00
42	4.0 crore units of ₹ 10 each of Kotak FMP Series 147 - 384 Days - Dir under Kotak Mutual Fund - Growth Plan	40.00
43	1.9 crore units of ₹ 10 each of Kotak FMP Series 151 - Direct under Kotak Mutual Fund - Growth Plan	18.60
44	5.0 crore units of ₹ 10 each of Kotak FMP Series 155 - Direct under Kotak Mutual Fund - Growth Plan	50.00
45	5.0 crore units of ₹ 10 each of Kotak FMP Series 156 - 370 Days under Kotak Mutual Fund - Growth Plan	50.00
46	7.5 crore units of ₹ 10 each of Kotak FMP Series 157 - 370 Days under Kotak Mutual Fund - Growth Plan	75.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

QUOTED MUTUAL FUNDS CONTINUED...

		31 March 2015
47	4.0 crore units of ₹ 10 each of Kotak FMP Series 158 - 370 Days - Dir under Kotak Mutual Fund - Growth Plan	40.00
48	3.5 crore units of ₹ 10 each of Kotak FMP Series 159 - 370 Days - Dir under Kotak Mutual Fund - Growth Plan	35.00
49	4.0 crore units of ₹ 10 each of Kotak FMP Series 171 - Direct under Kotak Mutual Fund - Growth Plan	40.00
50	3.0 crore units of ₹ 10 each of LIC Nomura MF Fixed Maturity Plan Series 81 - 371 Days - Dir under LIC Mutual Fund - Growth Plan	30.00
51	8.0 crore units of ₹ 10 each of Reliance Yearly Interval Fund - Series 8 under Reliance Mutual Fund - Growth Plan	80.00
52	4.4 crore units of ₹ 10 each of Reliance Fixed Horizon Fund - XXIV Series 4 - Direct under Reliance Mutual Fund - Growth Plan	44.48
53	3.5 crore units of ₹ 10 each of Reliance Interval Fund II - Series I - Dir under Reliance Mutual Fund - Growth Plan	34.70
54	26.8 crore units of ₹ 10 each of Reliance Yearly Interval Fund -Series - 1 - Dir under Reliance Mutual Fund - Growth Plan	300.00
55	5.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXV Series 17 - Dir under Reliance Mutual Fund - Growth Plan	50.00
56	5.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXV Series 19 - Dir under Reliance Mutual Fund - Growth Plan	50.00
57	13.3 crore units of ₹ 10 each of Reliance Yearly Interval Fund - Series 2 - Dir under Reliance Mutual Fund - Growth Plan	150.00
58	4.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund - XXV - Series 22 - Dir under Reliance Mutual Fund - Growth Plan	40.00
59	4.2 crore units of ₹ 10 each of Reliance Yearly Interval Fund - Series 3 - Dir under Reliance Mutual Fund - Growth Plan	46.10
60	5.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXV Series 27 - Dir under Reliance Mutual Fund - Growth Plan	50.00
61	7.5 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXV Series 30 - Dir under Reliance Mutual Fund - Growth Plan	75.00
62	5.0 crore units of ₹ 10 each of Reliance FHF XXVI Series 12 under Reliance Mutual Fund - Growth Plan	50.00
63	8.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXVI - Series 13 under Reliance Mutual Fund - Growth Plan	80.00
64	5.2 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXVI Series 17 - Dir under Reliance Mutual Fund - Growth Plan	52.10
65	5.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund - XXVIII - Series 4 under Reliance Mutual Fund - Growth Plan	50.00
66	4.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXVI Series 19 - Dir under Reliance Mutual Fund - Growth Plan	40.00
67	4.6 crore units of ₹ 10 each of Reliance Yearly Interval Fund Series 9 - Dir under Reliance Mutual Fund - Growth Plan	50.00
68	4.0 crore units of ₹ 10 each of Reliance Fixed Horizon Fund - XXVIII - Series 7 under Reliance Mutual Fund - Growth Plan	40.00
69	7.5 crore units of ₹ 10 each of Reliance Fixed Horizon Fund XXVIII Series 10 under Reliance Mutual Fund - Growth Plan	75.00
70	3.5 crore units of ₹ 10 each of Religare Invesco FMP - Sr. 22 - Plan F (15 Months) - Dir under	35.00
71	3.0 crore units of ₹ 10 each of Religare Invesco FMP - Series 22 - Plan H - Dir under Religare Mutual Fund - Growth Plan	30.00
72	3.5 crore units of ₹ 10 each of Religare Invesco FMP - Series 23 - Plan H (370 Days) under Religare Mutual Fund - Growth Plan	35.00
73	3.5 crore units of ₹ 10 each of Religare Invesco FMP - Series 23 - Plan J (370 Days) - Dir under Religare Mutual Fund - Growth Plan	35.00
74	3.5 crore units of ₹ 10 each of Religare Invesco Fixed Maturity Plan - Series 25 - Plan A (1098 days) under Religare Mutual Fund - Growth Plan	35.00
75	4.5 crore units of ₹ 10 each of Religare Invesco Fixed Maturity Plan - Series 25 - Plan C (1148 Days) - Dir under Religare Mutual Fund - Growth Plan	45.00
76	4.0 crore units of ₹ 10 each of Religare Invesco Fixed Maturity Plan Series 25 - Plan D - Dir under Religare Mutual Fund - Growth Plan	40.40
77	3.5 crore units of ₹ 10 each of Tata Fixed Maturity Plan Series 46 Scheme M - Dir under Tata Mutual Fund - Growth Plan	35.00
78	4.0 crore units of ₹ 10 each of Tata Fixed Maturity Plan Series 46 Scheme T - Dir under Tata Mutual Fund - Growth Plan	40.40
79	7.0 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XIX - III (368 days) under UTI Mutual Fund - Growth Plan	70.00
80	5.2 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XIX - VI (366 days) - Dir under UTI Mutual Fund - Growth Plan	52.45
81	3.5 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XIX - VIII (368 days) - Dir under UTI Mutual Fund - Growth Plan	35.00
82	7.5 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XIX - IX (369 days) - Dir under UTI Mutual Fund - Growth Plan	75.00
83	5.0 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XIX - XI (366 days) - Dir under UTI Mutual Fund - Growth Plan	50.00
84	7.6 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XXI - XI (1112 days) under UTI Mutual Fund - Growth Plan	75.68
85	5.0 crore units of ₹ 10 each of UTI Fixed Term Income Fund Series XX - VIII (1105 days) under UTI Mutual Fund - Growth Plan	50.00
	Total	4,705.65

AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

QUOTED BONDS

		31 March 2015
1	1,000,000 units of ₹ 1000 each fully paid of 8.55% India Infrastructure Finance Company Ltd	100.00
2	1000 units of ₹ 1,000,000 each fully paid of 8.46% India Infrastructure Finance Company Ltd	100.11
3	1000 units of ₹ 1,000,000 each fully paid of 8.48% India Infrastructure Finance Company Ltd	100.02
4	5,000,000 units of ₹ 1000 each fully paid of 7.18% India Railway Finance Corporation Ltd	500.00
5	1500 units of ₹ 1,000,000 each fully paid of 8.48% National Highways Authority of India	149.81
6	180,492 units of ₹ 5000 each fully paid of 8.63% National Housing Bank TaxFree Bonds	90.25
7	127,685 units of ₹ 5000 each fully paid of 8.68% National Housing Bank TaxFree Bonds	63.84
8	395,812 units of ₹ 1000 each fully paid of 8.48% NTPC TaxFree Bonds	39.58
9	400 units of ₹ 1,000,000 each fully paid of 8.63% NTPC TaxFree Bonds	40.01
10	971,671 units of ₹ 1000 each fully paid of 8.54% Power Finance Corporation Limited	97.17
11	420 units of ₹ 1,000,000 each fully paid of 8.46% Rural Electrification Corporation Ltd	42.02
12	250 units of ₹ 1,000,000 each fully paid of 0% Axis Finance Ltd bonds	25.00
13	500 units of ₹ 1,000,000 each fully paid of 0% Fullerton India Credit Company Ltd bonds	49.74
14	1250 units of ₹ 1,000,000 each fully paid of 0% HDB Financial Services Limited bonds	125.00
15	4000 units of ₹ 1,000,000 each fully paid of 0% Housing and Urban Development Corporation	515.46
16	2000 units of ₹ 500,000 each fully paid of 0% ICICI Home Finance bonds	100.00
17	1000 units of ₹ 1,000,000 each fully paid of 0% IDFC Ltd bonds	100.00
18	500,000 units of ₹ 1000 each fully paid of 0% IL&FS Ltd bonds	50.00
19	2000 units of ₹ 1,000,000 each fully paid of 0% Kotak Mahindra Prime Ltd bonds	200.00
20	3000 units of ₹ 1,000,000 each fully paid of 0% LIC Housing Finance bonds	300.00
21	500 units of ₹ 1,000,000 each fully paid of 0% M&M bonds	50.00
22	1000 units of ₹ 1,000,000 each fully paid of 0% Mahindra & Mahindra Financial Services Limited bonds	100.00
23	500 units of ₹ 1,000,000 each fully paid of 9.27% Power Finance Corporation Limited bonds	48.83
24	1000 units of ₹ 1,000,000 each fully paid of 0% Reliance Capital Ltd bonds	99.59
	Total	3,086.42

UNQUOTED MUTUAL FUNDS

		31 March 2015
1	5.0 crore units of ₹ 10 each of ICICI Prudential Blended Plan - Plan B under ICICI Mutual Fund - Growth Plan	100.00
2	2.3 crore units of ₹ 100 each of Birla Sun Life Dynamic Bond Fund under Birla Mutual Fund - Growth Plan	50.00
3	2.3 crore units of ₹ 100 each of Birla Sun Life Saving Fund - Direct under Birla Mutual Fund - Growth Plan	506.71
4	1.1 crore units of ₹ 10 each of Birla Sun Life Short Term Fund - Dir under Birla Mutual Fund - Growth Plan	50.00
5	0.3 crore units of ₹ 100 each of Birla Sun Life Treasury Optimizer Plan - Dir under Birla Mutual Fund - Growth Plan	50.00
6	0.4 crore units of ₹ 100 each of DWS Insta Cash Plus Fund - Dir Plan - Annual Bonus under DWS Mutual Fund - Bonus Plan	39.39
7	14.5 crore units of ₹ 10 each of DWS Ultra Short Term Fund - Direct under DWS Mutual Fund - Growth Plan	197.78
8	6.9 crore units of ₹ 10 each of HDFC Medium Term Fund - Dir under HDFC Mutual Fund - Growth Plan	100.00
9	4.1 crore units of ₹ 100 each of ICICI Prudential Flexible Income Plan - Direct under ICICI Mutual Fund - Growth Plan	879.55
10	1.7 crore units of ₹ 10 each of IDFC Super Saver Income Fund-Short Term Plan- Dir under IDFC Mutual Fund - Growth Plan	50.00
11	11.8 crore units of ₹ 10 each of JM Money Manager Fund - Super Plus Plan (Direct) - Bonus Option - Principal Units (512) under JM Mutual Fund - Bonus Plan	119.28
12	19.7 crore units of ₹ 10 each of JP Morgan India Treasury Fund - Bonus Plan - Direct under JP Mutual Fund - Bonus Plan	200.06
13	4.8 crore units of ₹ 10 each of JP Morgan India Treasury Fund - Bonus Plan - Direct under JP Mutual Fund - Bonus Plan	50.00
14	16.4 crore units of ₹ 10 each of L&T Ultra Short Term-Bonus Plan - Direct under L&T Mutual Fund - Bonus Plan	200.00
15	14.2 crore units of ₹ 10 each of Reliance Floating Rate Fund Short Term Plan - Dir under Reliance Mutual Fund - Growth Plan	300.00
16	0.01 crore units of ₹ 1000 each of Reliance Liquid Fund - Treasury Plan - Dir under Reliance Mutual Fund - Growth Plan	35.10
17	0.3 crore units of ₹ 1000 each of Reliance Money Manager Fund - Direct under Reliance Mutual Fund - Growth Plan	487.42
18	0.03 crore units of ₹ 1000 each of Religare Invesco Short Term Fund - Dir under Religare Mutual Fund - Growth Plan	50.00
19	0.2 crore units of ₹ 1000 each of SBI SHDF - Ultra Short Term Fund - Direct under SBI Mutual Fund - Growth Plan	359.56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

UNQUOTED MUTUAL FUNDS CONTINUED...

		31 March 2015
20	12.9 crore units of ₹ 10 each of Sundaram Money Fund Direct Plan - Bonus under Sundaram Mutual Fund - Bonus Plan	116.30
21	0.1 crore units of ₹ 1000 each of Tata Floater Fund - Direct under Tata Mutual Fund - Growth Plan	247.21
22	0.1 crore units of ₹ 1000 each of UTI Treasury Advantage - Direct under UTI Mutual Fund - Growth Plan	225.32
	Total	4,413.68

UNQUOTED CERTIFICATE OF DEPOSITS

		31 March 2015
1	2000 units of ₹ 5 lacs each fully paid of 0.0% IDFC Ltd Commercial Paper	97.19

16. INVENTORIES (valued at lower of cost and net realizable value)

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Finished goods (crude oil)*	-	-	99.05	77.93
Stores and spares	342.36	362.27	144.25	107.50
	342.36	362.27	243.30	185.43
Less: amount disclosed under other non-current assets	(342.36)	(362.27)	-	-
	-	-	243.30	185.43

*includes stock in pipeline ₹ 60.35 crore (31 March 2015: ₹ 56.06 crore).

17. CASH AND BANK BALANCES

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
CASH AND CASH EQUIVALENTS				
Balances with banks:				
- Current accounts	-	-	0.13	2.30
- Deposits with original maturity of upto 3 months	-	-	950.01	5.20
- Unpaid dividend accounts	-	-	287.85	213.95
Cash on hand	-	-	0.01	0.01
	-	-	1,238.00	221.46
OTHER BANK BALANCES				
- Escrow account	-	-	-	143.13
- Site restoration fund	235.05	172.68	-	-
	235.05	172.68	-	143.13
Less: amount disclosed under other non-current assets	(235.05)	(172.68)	-	-
	-	-	1,238.00	364.59

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

18. REVENUE FROM OPERATIONS

	31 March 2016	31 March 2015
Sale of finished goods		
Crude oil and condensate	5,788.65	10,341.25
Gas	189.98	159.41
Less: Government share of profit petroleum	(1,372.63)	(2,727.80)
	4,606.00	7,772.86
Sale of services (tolling income)	43.43	33.12
Other operating revenue (income received as operator from joint venture)	-	0.83
	4,649.43	7,806.81

19. OTHER INCOME

	31 March 2016	31 March 2015
Interest income on		
Bank deposits	14.10	19.36
Current investments	278.29	198.30
Others	0.79	0.74
Gain on sale of current investments (net)*	547.06	745.09
Exchange differences (net)	90.08	79.62
Other non-operating income**	73.12	5.27
	1,003.44	1,048.38

*net off adjustment of ₹ 0.37 crore (31 March 2015: Nil) to carrying value of current investment on account of mark to market losses.

** includes ₹ 62.74 crore (31 March 2015 : Nil) on account of reversal of provision of interest on income tax relating to earlier years.

20. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS

	31 March 2016	31 March 2015
Inventories at the end of the year	99.05	77.93
Inventories at the beginning of the year	77.93	76.25
	(21.12)	(1.68)

21. EMPLOYEE BENEFIT EXPENSES

	31 March 2016	31 March 2015
Salaries, wages and bonus	651.20	771.52
Contribution to provident fund	28.73	32.37
Contribution to superannuation fund	11.64	15.09
Contribution to national pension scheme	0.55	-
Employee stock option scheme (refer note 28)	34.97	28.86
Gratuity expense (refer note 27)	12.20	8.78
Compensated absences	1.76	2.68
Staff welfare expenses	36.86	63.64
	777.91	922.94
Less: Cost recharged to related party (refer note 30)	(4.51)	-
Less: Cost allocated to joint ventures	(676.21)	(815.00)
	97.19	107.94

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

22. DEPLETION, DEPRECIATION AND AMORTIZATION EXPENSE

	31 March 2016	31 March 2015
Depreciation and depletion of tangible assets (refer note 7)	1,615.82	2,408.67
Amortization of intangible assets (refer note 8)	18.86	32.01
Less: Cost recharged to related party (refer note 30)	(0.86)	-
Less: Cost allocated to joint ventures	(44.10)	(57.25)
Less: Exceptional item (refer note 25)	-	(1,046.39)
	1,589.72	1,337.04

23. FINANCE COSTS

	31 March 2016	31 March 2015
Interest	17.64	7.91
Bank charges	0.28	0.33
	17.92	8.24
Less: Cost allocated to joint ventures	(0.11)	(0.13)
	17.81	8.11

24. OTHER EXPENSES

	31 March 2016	31 March 2015
Data acquisition and analysis	7.07	0.05
Arbitration costs	2.71	1.43
Royalty	14.29	16.12
Legal and professional fees	132.14	242.98
Auditors' remuneration		
As auditor:		
Fees for audit of standalone and consolidated financial statements	0.57	0.41
Fees for limited review of standalone and consolidated quarterly financial results	0.46	0.45
Fees for certification and agreed upon procedures	0.09	0.10
Fees for audit of form 3CD	0.03	0.03
Reimbursement of expenses	0.05	0.02
Travelling and conveyance	30.75	52.39
Commission to independent directors	3.49	3.37
Share buy back expenses	-	1.83
Directors' sitting fees	0.53	0.53
Contract employee charges	87.24	101.78
Rent	46.69	77.49
Rates and Taxes	18.05	17.39
Insurance	7.77	16.82
Corporate social responsibility expenditure (refer note 41)	49.45	68.46
Repairs and maintenance		
Buildings	12.50	14.36
Others	35.28	54.38
Loss on sale of investment in subsidiary*	4.09	-
Miscellaneous expenses	62.68	58.10
	515.93	728.49



AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

24. OTHER EXPENSES CONTINUED...

	31 March 2016	31 March 2015
Less: Cost recharged to related party (refer note 30)	(2.95)	-
Less: Cost allocated to joint ventures	(297.18)	(403.78)
	215.80	324.71

* net of provision of ₹ 1,209.69 crore (31 March 2015: Nil) made in the previous year

25. EXCEPTIONAL ITEMS

	31 March 2016	31 March 2015
Depreciation charge for earlier years*	-	1,046.39
Impairment Loss on		
Development work in progress (refer note 9.1)	9.23	-
Exploration intangible assets under development (refer note 9.2)	271.31	-
Diminution in the value of long term Investments (refer note 10)	-	949.76
Provision for meeting obligations of subsidiary (refer note 5)	-	259.92
	280.54	2,256.07

* Pursuant to the implementation of Schedule II of Companies Act 2013 on 1 April 2014, the Group had retrospectively changed the method of depreciation on some of its oil and gas assets from 'Straight Line' method to the 'Unit of Production' method. The additional charge of ₹ 1,046.39 crore due to the same for the period up to 31 March 2014 had been disclosed as an exceptional item for year ended 31 March 2015.

26. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2016	31 March 2015
Profit for the year as per Statement of Profit & Loss (used for calculation of both basic and diluted EPS)	853.53	1,320.03
Exceptional item [net of tax credit of ₹ 97.09 crore (31 March 2015: ₹ 298.27 crore)]	183.45	1,957.80
Profit for the year before exceptional items	1,036.98	3,277.83
	No. crore	No. crore
Weighted average number of equity shares in calculating basic EPS	187.48	187.85
Effect of dilution:		
Stock options granted under employee stock options	0.52	0.58
Weighted average number of equity shares in calculating diluted EPS	188.00	188.43
EARNINGS PER EQUITY SHARE IN ₹ Computed on the basis of profit for the year before exceptional items		
Basic	5.53	17.45
Diluted	5.52	17.40
EARNINGS PER EQUITY SHARE IN ₹ Computed on the basis of profit for the year		
Basic	4.55	7.03
Diluted	4.54	7.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

27. GRATUITY

The Company has a defined benefit gratuity plan for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss, the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

	31 March 2016	31 March 2015
Current service cost	9.26	8.11
Interest cost on benefit obligation	3.79	4.05
Expected return on plan assets	(2.43)	(2.74)
Net actuarial (gain) / loss recognized in the year	1.58	(0.64)
Net benefit expense	12.20	8.78
Actual return on plan assets	2.57	2.30

Balance Sheet

Benefit asset/liability

	31 March 2016	31 March 2015
Present value of defined benefit obligation	59.00	48.56
Fair value of plan assets	38.62	30.84
Plan asset / (liability)	(20.38)	(17.72)

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2016	31 March 2015
Opening defined benefit obligation	48.56	45.03
Current service cost	9.26	8.11
Interest cost	3.79	4.05
Benefits paid	(3.82)	(7.55)
Actuarial (gains) / losses on obligation	1.21	(1.08)
Closing defined benefit obligation	59.00	48.56

Changes in the fair value of plan assets are as follows:

	31 March 2016	31 March 2015
Opening fair value of plan assets	30.84	29.58
Expected return	2.43	2.74
Contributions by employer	9.54	6.51
Benefits paid	(3.82)	(7.55)
Actuarial gains / (losses)	(0.37)	(0.44)
Closing fair value of plan assets	38.62	30.84

The Company's expected contribution to the fund in the next year is ₹ 10.27 crore (31 March 2015: ₹ 11.47 crore).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31 March 2016	31 March 2015
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31 March 2016	31 March 2015
Discount rate	8.00%	7.80%
Future salary increase - National/ Expat	10.00%/ 2.00%	10.00%
Expected rate of return on assets	8.00%	9.45%
Employee turnover - National/ Expat	8.00%/13.00%	8.00%/NA
Mortality rate	IALM (2006 - 08)	IALM (2006 - 08)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

27. GRATUITY CONTINUED...

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous four periods are as follows:

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	59.00	48.56	45.03	36.76	1.03
Plan assets	38.62	30.84	29.58	23.53	-
Surplus / (deficit)	(20.38)	(17.72)	(15.45)	(13.23)	(1.03)
Experience adjustments on plan assets	(0.24)	(0.44)	0.05	0.04	-
Experience adjustments on plan liabilities	(2.22)	(0.07)	(3.96)	(3.74)	(0.02)

The Company is maintaining a fund with the Life Insurance Corporation of India (LIC) to meet its gratuity liability. The present value of the plan assets represents the balance available with the LIC as at the end of the year. The total value of plan assets is as certified by the LIC.

28. EMPLOYEE STOCK OPTION PLANS

The Company has provided various share based payment schemes to its employees. During the year ended 31 March 2016, the following schemes were in operation:

Particulars	CIPOP	CIESOP	CIPOP Phantom	CIESOP Phantom
Date of Board Approval	17-Nov-06	17-Nov-06	Not applicable	Not applicable
Date of Shareholder's approval	17-Nov-06	17-Nov-06	Not applicable	Not applicable
Number of options granted till March 2016	1,61,67,131	3,01,12,439	48,31,955	7,58,370
Method of Settlement	Equity	Equity	Cash	Cash
Vesting Period	3 years from grant date	3 years from grant date	3 years from grant date	3 years from grant date
Exercise Period	3 months from vesting date	7 years from vesting date	Immediately upon vesting	Immediately upon vesting

Number of options granted till 31 March 2016

Date of Grant	CIPOP	CIESOP	CIPOP Phantom	CIESOP Phantom
24-Nov-06	-	-	-	-
01-Jan-07	17,08,195	34,67,702	-	-
20-Sep-07	32,35,194	55,15,053	-	-
29-Jul-08	7,89,567	37,73,856	8,22,867	3,24,548
10-Dec-08	-	36,040	-	38,008
22-Jun-09	-	-	69,750	-
29-Jul-09	9,94,768	54,05,144	1,230,416*	2,11,362
27-Jul-10	5,84,144	30,27,463	614,999*	93,572
23-Dec-10	-	-	23,645	-
26-Jul-11	10,06,415	47,33,714	3,90,654	66,385
23-Jul-12	8,90,501	41,53,467	4,41,624	24,495
23-Jul-13	32,90,997	-	4,32,259	-
22-Jul-14	36,67,350	-	7,44,272	-
17-Nov-14	-	-	61,469	-
Total	1,61,67,131	3,01,12,439	48,31,955	7,58,370

* includes 169,944 & 260,288 options converted from CIPOP to CIPOP Phantom in 29-Jul-09 & 27-Jul-10 grants respectively during the financial year 2011-12.

The vesting conditions of the above plans are as under-

CIPOP plan (including phantom options)

Options will vest (i.e., become exercisable) at the end of a "performance period" which has been set by the remuneration committee at the time of grant (although such period will not be less than three years). However, the percentage of an option which vests on this date will be determined by the extent to which pre-determined performance conditions have been satisfied. Phantom options are exercisable proportionate to the period of service rendered by the employee subject to completion of one year.

CIESOP plan (including phantom options)

There are no specific vesting conditions under CIESOP plan other than completion of the minimum service period. Phantom options are exercisable proportionate to the period of service rendered by the employee subject to completion of one year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

28. EMPLOYEE STOCK OPTION PLANS CONTINUED...

Details of activities under employees stock option plans

CIPOP Plan	31 March 2016		31 March 2015	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	61,99,640	10.00	44,39,313	10.00
Granted during the year	Nil	10.00	36,67,350	10.00
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	9,729	10.00	11,270	10.00
Forfeited / cancelled during the year	11,28,265	10.00	18,95,753	10.00
Outstanding at the end of the year	50,61,646	10.00	61,99,640	10.00
Exercisable at the end of the year	18,270	10.00	Nil	NA

Weighted average fair value of options granted on the date of grant is NA (31 March 2015: ₹ 300.67)

Weighted average share price at the date of exercise of stock options is ₹ 144.82 (31 March 2015: ₹ 297.18)

CIESOP Plan	31 March 2016		31 March 2015	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	1,03,88,430	303.43	1,25,23,078	300.76
Granted during the year	Nil	NA	Nil	NA
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	Nil	NA	6,44,901	227.68
Forfeited / cancelled during the year	7,86,229	314.00	14,89,747	313.80
Outstanding at the end of the year	96,02,201	302.56	1,03,88,430	303.43
Exercisable at the end of the year	96,02,201	302.56	74,25,117	294.08

Weighted average fair value of options granted on the date of grant is NA (31 March 2015: NA)

Weighted average share price at the date of exercise of stock options is NA (31 March 2015: ₹ 320.24)

CIPOP Plan – Phantom options	31 March 2016		31 March 2015	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	10,46,501	10.00	5,98,774	10.00
Granted during the year	Nil	NA	8,05,741	10.00
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	Nil	NA	Nil	NA
Forfeited / cancelled during the year	2,21,317	10.00	3,58,014	10.00
Outstanding at the end of the year	8,25,184	10.00	10,46,501	10.00
Exercisable at the end of the year	Nil	NA	Nil	NA

Weighted average fair value of options granted on the date of grant is NA (31 March 2015: ₹ 180.27)

Weighted average share price at the date of exercise of stock options is NA (31 March 2015: NA)

CIESOP Plan – Phantom options	31 March 2016		31 March 2015	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	14,174	326.85	34,316	327.11
Granted during the year	Nil	NA	Nil	NA
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	Nil	NA	Nil	NA
Forfeited / cancelled during the year	14,174	327.29	20,142	327.29
Outstanding at the end of the year	Nil	326.85	14,174	326.85
Exercisable at the end of the year	NA	NA	Nil	NA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

28. EMPLOYEE STOCK OPTION PLANS CONTINUED...

Scheme	Range of exercise price in ₹	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price in ₹
The details of exercise price for stock options outstanding as at 31 March 2016 are:				
CIPOP Plan	10.00	50,61,646	0.86	10.00
CIESOP Plan	160-331.25	96,02,201	NA	303.43
CIPOP Plan – Phantom options	10.00	8,25,184	1.06	10.00
CIESOP Plan – Phantom options	NA	Nil	NA	NA
The details of exercise price for stock options outstanding as at 31 March 2015 are:				
CIPOP Plan	10.00	61,99,640	2.58	10.00
CIESOP Plan	160-331.25	1,03,88,430	0.31	303.43
CIPOP Plan – Phantom options	10.00	10,46,501	1.91	10.00
CIESOP Plan – Phantom options	326.85	14,174	0.31	326.85

Effect of Employees Stock Option Plans on Financial Position

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	31 March 2016	31 March 2015
Total Employee Compensation Cost pertaining to share-based payment plans	34.97	28.86
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	33.65	29.27
Compensation Cost pertaining to cash-settled employee share-based payment plan included above	1.32	(0.41)
Equity settled employee stock options outstanding as at year end	247.86	229.13
Liability for cash settled employee stock options outstanding as at year end	7.12	7.17

Inputs for Fair valuation of Employees Stock Option Plans

The Share Options have been fair valued using an Option Pricing Model (Black Scholes Model). The main inputs to the model and the Fair Value of the options granted during the current year and previous year, based on an independent valuation, are as under:

VARIABLES – CIPOP		
Grant date		22-Jul-14
Stock Price/fair value of the equity shares on the date of grant (₹)		345.35
Vesting date		22-Jul-17
Vesting %		Refer vesting conditions
Volatility		27.95%
Risk free rate		8.36%
Time to maturity (years)		3.13
Exercise price (₹)		10.00
Fair Value of the options (₹)		300.67
VARIABLES – CIPOP PHANTOM		
Grant date	17-Nov-14	22-Jul-14
Stock Price/fair value of the equity shares on the reporting date (₹)	213.85	213.85
Vesting date	17-Nov-17	22-Jul-17
Vesting %	Refer vesting conditions	Refer vesting conditions
Volatility	40.31%	42.37%
Risk free rate	7.10%	7.01%
Time to maturity (years)	1.63	1.31
Exercise price (₹)	10.00	10.00
Fair Value of the options (₹)	138.55	139.58

Volatility is the measure of the amount by which the price has fluctuated or is expected to fluctuate during the period. The measure of volatility used in Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. Time to maturity /expected life of options is the period for which the Company expects the options to be live. Time to maturity has been calculated as an average of the minimum and maximum life of the options.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

29. LEASES

Operating Lease: as lessee

Cairn India Limited has entered into operating leases for office premises with a non- cancellable lease period of 3 years. There are no restrictions imposed by lease arrangements and there are no subleases. There are no contingent rents. The information with respect to non-cancellable leases are as under :

Particulars	31 March 2016	31 March 2015
Lease payments made during the year	25.27	24.34
Within one year of the balance sheet date	25.90	25.27
Due in a period between one year and three years	2.42	21.06

30. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists

Holding / Ultimate holding company	Vedanta Resources Plc.
	Vedanta Resources Holdings Limited
	Volcan Investments Limited
	Vedanta Limited (formerly Sesa Sterlite Limited)

Subsidiary companies	1. Cairn Energy Australia Pty Limited
	2. Cairn Energy India Pty Limited
	3. CEH Australia Limited**
	4. Cairn India Holdings Limited ('CIHL')
	5. CIG Mauritius Holding Private Limited ('CMHPL')
	6. CIG Mauritius Private Limited
	7. Cairn Energy Holdings Limited
	8. Cairn Energy Discovery Limited
	9. Cairn Exploration (No. 2) Limited
	10. Cairn Exploration (No. 6) Limited*
	11. Cairn Energy Hydrocarbons Limited ('CEHC')
	12. Cairn Energy Gujarat Block 1 Limited
	13. Cairn Exploration (No. 7) Limited***
	14. Cairn Lanka (Pvt) Limited
	15. Cairn Energy India West BV**
	16. Cairn Energy Netherlands Holdings BV**
	17. Cairn Energy Gujarat BV**
	18. Cairn Energy Cambay BV**
	19. Cairn South Africa Proprietary Limited

Enterprises controlled by the Company	Cairn Enterprise Centre
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* Liquidated in current year.

** Liquidated during previous year.

*** Liquidated subsequent to the year end

Related parties with whom transactions have taken place

Fellow subsidiaries	Twin Star Mauritius Holdings Limited ****
	Sesa Resources Limited

****also has significant influence over the Company.

Key management personnel	Mayank Ashar, Managing Director and Chief Executive Officer (from 17 November 2014)
	Sudhir Mathur, Chief Financial Officer (Interim Head, from 2 May 2014 to 16 November 2014)
	P. Elango, Wholetime Director and Interim Chief Executive officer (upto 2 May 2014)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

30. RELATED PARTY DISCLOSURES CONTINUED...

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Nature of the Transactions	Related Party	31 March 2016	31 March 2015
Reimbursement of expenses	Vedanta Limited	3.08	4.64
		3.08	4.64
Recovery of expenses	Vedanta Limited	8.32	-
		8.32	-
Corporate social responsibility expenditure	Cairn Enterprise Centre	22.97	3.21
		22.97	3.21
Equity contributions made during the year	CIG Mauritius Holding Private Limited	264.23	1.21
		264.23	1.21
Dividend paid	Twin Star Mauritius Holdings Limited	258.19	849.70
	Sesa Resources Limited	13.08	37.61
	Vedanta Limited	177.81	403.81
		449.08	1,291.12
Sale of Investments in CMHPL	Cairn Energy Hydrocarbons Limited	0.21	-
		0.21	-
Remuneration to key management personnel	Mayank Ashar	16.65	6.07
	Sudhir Mathur	-	2.61
	P. Elango	-	1.27
		16.65	9.95

Note:

Remuneration to the key management personnel does not include provisions made for gratuity and leave benefits, as the same is determined on an actuarial basis for the Company as a whole.

Balances outstanding as at the end of the year:

Nature of the Balance	Related Party	31 March 2016	31 March 2015
Other current liabilities including trade payables	Cairn Energy Hydrocarbons Limited	-	0.01
	Vedanta Limited	0.22	0.82
	Cairn Enterprise Centre	16.93	0.40
		17.15	1.23
Loans & Advances	Cairn South Africa Proprietary Limited	0.11	0.16
	Vedanta Limited	5.75	-
		5.86	0.16

31. CAPITAL AND OTHER COMMITMENTS

Capital commitments (net of advances)

Company's share of Joint Ventures' Exploration activities and Development activities – Nil (31 March 2015: ₹ 238.70 crore) and ₹ 81.27 crore (31 March 2015: ₹ 915.80 crore) respectively.

Other commitments

Company's share of Joint Ventures' minimum exploration commitments as per the production sharing contracts : ₹114.48 crore (31 March 2015: ₹ 1,540.94 crore).

32. CONTINGENT LIABILITIES

a. Ravva Joint Venture Arbitration proceedings : Base Development Cost

Ravva joint venture had received the notice from Ministry of Petroleum & Natural Gas, Government of India (GOI) for the period from 2000-2005 for USD 129 million for an alleged underpayment of profit petroleum to the Indian Government, out of which, Group's share will be USD 29 million (approximately ₹ 192.34 crore) [31 March 2015: USD 29 million (approximately ₹ 181.65 crore)] plus potential interest at applicable rate (LIBOR plus 2% as per PSC).

This claim relates to the Indian Government's allegation that the Ravva JV had recovered costs in excess of the Base Development Costs ("BDC") cap imposed in the PSC and that the Ravva JV had also allowed these excess costs in the calculation of the Post Tax Rate of Return (PTRR). Joint venture partners initiated the arbitration proceedings and Arbitration Tribunal published the Award on 18 January 2011 at Kuala Lumpur, allowing claimants (including the Company) to recover the Development costs spent to the tune of USD 278 million and disallowed over run of USD 22.3 million spent in respect of BDC along with 50% legal costs reimbursable to the Joint venture partners. High Court of Kuala Lumpur dismissed Government of India's (GOI) application of setting aside the part of the Award on 30 August 2012 with costs. However, GOI appealed against the High Court's order before the Court of Appeal and the same has dismissed the GOI's appeal on 27 June 2014. GOI still preferred to challenge the same before the Federal Court, Kuala Lumpur and their Leave to Appeal is currently due for hearing before Federal Court on 17 May 2016. GOI has also issued Show

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

32. CONTINGENT LIABILITIES CONTINUED...

Cause Notice on this matter which the Company has replied to and also filed an application for enforcement of Award before Delhi High Court as an abundant caution. Next hearing is due on 29 April 2016. Furthermore, GOI is yet to agree on quantum of arbitration costs & expenses (legal fees and expenses) for reimbursing to the companies as per the Award. Therefore, the Companies have approached the Tribunal to quantify the costs. The GOI has obtained a stay order from Hon'ble High Court of Delhi, on 14 August 2015 against the Tribunal proceedings on quantum of arbitration costs on the grounds of Tribunal being functus officio. Cairn has filed an appeal before the Hon'ble High Court of Delhi against the aforesaid 'stay order' granted by the Hon'ble High Court of Delhi against the Tribunal 'proceedings on determination of costs'. The matters are due for hearing on 3 October 2016 and 26 April 2016 respectively.

b. Ravva Joint Venture Arbitration proceedings: ONGC Carry

The Company is involved in a dispute with GOI relating to the calculation of payments that it was required to make in connection with the Ravva field. The Ravva PSC obliges the Company to pay proportional share of ONGC's exploration, development, production and contract costs in consideration for ONGC's payment of costs related to construction and other activities it conducted in Ravva prior to the effective date of the Ravva PSC (the "ONGC Carry"). The question as to how the ONGC Carry is to be calculated, along with other issues, was submitted to an international arbitration panel in August 2002 which rendered a decision on the ONGC Carry in the Company's favour and four other issues in favour of GOI in October 2004 ("Partial Award"). The GOI filed a challenge to the ONGC Carry decision in the Malaysian courts, as Kuala Lumpur was the seat of the arbitration. The Federal Court of Malaysia which adjudicated the matter on 11 October 2011, upheld the Partial Award. Company persuaded with Ministry of Petroleum and Natural Gas (MoPNG) to implement the Partial Award while reconciling the statement of accounts as outlined in Partial Award ever since the Federal Court adjudication in place. However, MoPNG has issued a Show Cause Notice on 10 July 2014 alleging that profit petroleum has been short-paid. The Company had requested for Tribunal's reconstitution to publish the Final Award since it has retained the jurisdiction if parties are unable to agree on quantification sums due and payable to each other pursuant to the Partial Award. Accordingly, Tribunal was reconstituted and the next hearing is scheduled in June 2016. While the Company does not believe the GOI will be successful in its challenge, if the arbitral award is reversed and such reversal is binding, the Company could be liable for up to approximately USD 63.90 million (approximately ₹ 423.94 crore) [31 March 2015: USD 63.90 million (approximately ₹ 400.26 crore)] plus interest.

c. Service tax

"The Company has received ten show cause notices (SCN's) relating to the period 1 April 2006 to 31 March 2015, citing non-payment of service tax on various services. Out of ten SCN 's, nine SCN's have been adjudicated by the department relating to the period 1 April 2006 to 31 March 2014 for which the Company has filed an appeal. Further, with respect to the last SCN, relating to the period 1 April 2014 to 31 March 2015, Company is in the process of filing the reply.

Should future adjudication go against the Company, it will be liable to pay service tax of approximately ₹49.53 crore (31 March 2015: ₹ 119.41 crore) plus potential interest of approximately ₹ 68.55 crore (31 March 2015: ₹ 132.70 crore), although this could be recovered in part, where it relates to services provided to Joint Venture of which the Company is operator.

d. Tax holiday on gas production

Section 80-IB (9) of the Income Tax Act, 1961 allows the deduction of 100% of profits from the commercial production or refining of mineral oil. The term 'mineral oil' is not defined but has always been understood to refer to both oil and gas, either separately or collectively.

The 2008 Indian Finance Bill appeared to remove this deduction by stating [without amending section 80-IB (9)] that "for the purpose of section 80-IB (9), the term 'mineral oil' does not include petroleum and natural gas, unlike in other sections of the Act". Subsequent announcements by the Finance Minister and the Ministry of Petroleum and Natural Gas have confirmed that tax holiday would be available on production of crude oil but have continued to exclude gas.

The Company filed a writ petition to the Gujarat High Court in December 2008 challenging the restriction of section 80-IB to the production of oil. Gujarat High Court did not admit the writ petition on the ground that the matter needs to be first decided by lower tax authorities. A Special Leave Petition has been filed before Supreme Court against the decision of Gujarat High court. However in an another similar case, the Gujarat High Court has held that tax holiday benefit would extend to production of gas.

In the event this challenge is unsuccessful, the potential liability for tax and related interest on tax holiday claimed on gas is approximately ₹ 279.64 crore (31 March 2015: ₹ 263.35 crore).

e. Withholding tax on payments made on acquiring a subsidiary

In March 2014 the Company received a notice from the Indian Tax Authorities ("Tax Authorities") alleging failure by the Company to withhold tax on the consideration paid to Cairn UK Holdings Limited ("CUHL") in the year 2006-07, the then holding company. The said transaction relates to the acquisition of the shares of Cairn India Holdings Limited ("CIHL"), a 100% subsidiary of the Company, from CUHL during the financial year 2006-2007 as a part of group reorganization by the then ultimate parent company Cairn Energy Plc. Based upon the retrospective amendment(s) made in the year 2012 by inserting explanation 5 of section 9(1)(i) of the Income Tax Act, 1961, the Tax Authorities vide its order dated 11 March 2015, have raised a demand of approx. ₹ 20,494.73 crore (comprising tax of approx. ₹ 10,247.36 crore and interest of an equivalent amount) for not withholding tax on the consideration paid to CUHL, for acquiring shares of CIHL. Tax Authorities have stated in the said order that a short term capital gain of ₹ 24,503.50 crore accrued to CUHL on transfer of the shares of CIHL to the Company in financial year 2006-2007, on which tax should have been withheld by the Company. The Company understands that a tax demand has also been raised by the Tax Authorities on CUHL with respect to taxability of alleged capital gain earned by CUHL.

In this regard, Vedanta Resources Plc. filed a Notice of Claim against the Government Of India under the UK-India Bilateral Investment Treaty (the "BIT") in order to protect its legal position and shareholder interests. Management has been advised that Vedanta Resources Plc. has a good case to defend as per provisions of BIT, the benefit of which would ultimately accrue to the Company.

Further, the Company has been advised that there could be no liability on the Company on account of not withholding the taxes in the year 2006-07 based on provisions of law prevailing at the time of transaction as the aforesaid retrospective amendment has cast an impossible obligation on the Company to deduct tax by having to predict and anticipate that the retrospective amendment will be made by legislature on a future date. The Company has approached the Hon'ble Delhi High Court against the said order and also filed an appeal before the Commissioner of Income Tax

AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

32. CONTINGENT LIABILITIES CONTINUED...

(Appeals) to defend its said position.

f. Others

i) Pursuant to the provisions of the Rajasthan Entry Tax Act, 1999, an entry tax demand has been raised for ₹ 24.66 crore (31 March 2015: ₹ 5.93 crore) plus penalty and interest which the Company has contested before appellate authorities. The Company believes that this levy is not constitutionally valid and its Special Leave Petition in this regard is pending before the Honorable Supreme Court.

ii) Other claims raised by contractors and vendors of the Group ₹ 24.56 crore (31 March 2015: ₹ 32.51 crore)

Based on an analysis of the legal positions, the management is of the view that the liabilities in the cases mentioned in (a) to (f) above are not probable and accordingly no provision has been considered necessary there against.

33. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

The Company did not take any derivative instruments during the current year / previous year. Particulars of unhedged foreign currency exposures are as follows-

	31 March 2016	31 March 2015
Trade receivables	138.80	620.03
Loans and advances and other assets	64.34	161.52
Cash & bank balances	-	1.05
Other current liabilities including trade payables and provisions	1,414.90	1,110.89

34. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

	31 March 2016	31 March 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

35. VALUE OF IMPORTS CALCULATED ON CIF BASIS

	31 March 2016	31 March 2015
Stores and spares	277.58	40.61

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

36. EXPENDITURE IN FOREIGN CURRENCY (Accrual basis)

	31 March 2016	31 March 2015
Exploration and development expenditure	467.12	1,987.00
Share of expenses from producing oil and gas blocks	260.01	290.00
Commission to independent directors	0.86	0.85
Salaries, wages and bonus	111.66	163.13
Staff welfare expenses	9.47	19.83
Legal and professional fees	15.39	30.30
Data acquisition and analysis	7.07	0.04
Travelling and conveyance	1.17	2.43
Insurance	6.64	14.15
Repairs and maintenance	10.12	17.24
Arbitration Cost	1.37	0.89
Rent	0.73	0.67
Miscellaneous expenses	21.81	57.92
	913.42	2,584.45

37. EARNINGS IN FOREIGN CURRENCY (Accrual basis)

	31 March 2016	31 March 2015
Revenue from operations*	4,606.00	7,773.69
	4,606.00	7,773.69

*Represents revenues from domestic customers to whom invoicing is made in foreign currencies but settlement happens in equivalent Indian rupees

38. IMPORTED AND INDIGENOUS SPARE AND PARTS CONSUMED IN OIL & GAS EXPLORATION ACTIVITIES

	Percentage of total consumption		Amount	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Imported	17.83%	68.12%	78.58	233.96
Indigenous	82.17%	31.88%	362.15	109.49
	100.00%	100.00%	440.73	343.45

39. NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance (ending on)	31 March 2016	31 March 2015
Period to which it relates	1 April 2014 to 31 March 2015	1 April 2013 to 31 March 2014 & 1 April 2014 to 31 March 2015
Non-resident shareholders	5	7
Equity shares held on which dividend was due (numbers in crore)	64.55	73.89
Amount remitted (in USD crore)	4.10	14.01
Amount remitted (in equivalent ₹ crore)	258.19	849.71

AUDITED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

40. OIL & GAS RESERVES AND RESOURCES

The Company's gross reserve estimates are updated atleast annually based on the forecast of production profiles, determined on an asset-by-asset basis, using appropriate petroleum engineering techniques. The estimates of reserves and resources have been derived in accordance with the Society for Petroleum Engineers "Petroleum Resources Management System (2007). The changes to the reserves are generally on account of future development projects, application of technologies such as enhanced oil recovery techniques and true up of the estimates. The management's internal estimates of hydrocarbon reserves and resources at the period end, based on the current terms of the PSCs, are as follows:

Particulars	Gross proved and probable hydrocarbons initially in place		Gross proved and probable reserves and resources		Net working interest proved and probable reserves and resources	
	(mmboe)		(mmboe)		(mmboe)	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Rajasthan MBA Fields	2,208	2,208	496	545	174	191
Rajasthan MBA EOR	-	-	225	226	79	79
Rajasthan Block Other Fields	4,189	3,833	471	505	165	177
Ravva Fields	706	684	39	47	9	11
CBOS/2 Fields	215	220	23	24	9	9
Other fields	481	481	74	74	36	36
	7,799	7,426	1,328	1,421	471	503

The Company's net working interest proved and probable reserves is as follows:

Particulars	Proved and probable reserves		Proved and probable reserves (developed)	
	Oil	Gas	Oil	Gas
	(mmstb)	(bscf)	(mmstb)	(bscf)
Reserves as of 1 April 2014*	137.06	41.78	88.49	14.64
Additions / revision during the year	3.75	10.61	14.54	6.01
Production during the year	25.38	4.58	25.38	4.58
Reserves as of 31 March 2015**	115.43	47.81	77.65	16.07
Additions / revision during the year	(5.83)	(10.95)	22.96	6.21
Production during the year	24.46	4.52	24.46	4.52
Reserves as of 31 March 2016***	85.14	32.34	76.15	17.76

*Includes probable oil reserves of 44.95 mmstb (of which 17.37 mmstb is developed) and probable gas reserves of 29.72 bscf (of which 7.89 bscf is developed)

** Includes probable oil reserves of 36.95 mmstb (of which 13.84 mmstb is developed) and probable gas reserves of 34.32 bscf (of which 5.94 bscf is developed)

*** Includes probable oil reserves of 22.69 mmstb (of which 15.05 mmstb is developed) and probable gas reserves of 18.31 bscf (of which 5.02 bscf is developed)

mmboe = million barrels of oil equivalent

mmstb = million stock tank barrels

bscf = billion standard cubic feet

1 million metric tonnes = 7.4 mmstb

1 standard cubic meter = 35.315 standard cubic feet

MBA = Mangala, Bhagyam & Aishwariya

EOR = Enhanced Oil Recovery

41. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 March 2016	31 March 2015
(a) Gross amount required to be spent by the Company during the year	107.21	129.70
(b) Amount spent on		
i) Construction/acquisition of any asset		
Paid in cash/cash equivalents	-	-
Yet to be paid	-	-
	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)...

(All amounts are in ₹ crore, unless otherwise stated)

41. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE CONTINUED...

	31 March 2016	31 March 2015
ii) On purposes other than (i) above (for CSR Projects)		
Paid in cash/cash equivalents	21.80	55.07
Yet to be paid	27.65	13.39
	49.45*	68.46*

*Includes ₹ 22.97 crore (31 March 2015: ₹ 3.21 crore) paid to related party (refer note 30)

42. DISCOUNTING OF RECEIVABLES

During the year, Company has discounted certain receivables with bank on non-recourse basis. Accordingly, closing balance of trade receivables and advances receivable in cash or kind have been reduced by ₹ 277.25 crore (31 March 2015: Nil) and ₹ 485.00 crore (31 March 2015: Nil) respectively.

43. SEGMENTAL REPORTING

Business segments

The primary reporting of the Company has been prepared on the basis of business segments. The Company has only one business segment, which is the exploration, development and production of oil and gas and operates in a single business segment based on the nature of the products, the risks and returns, the organisation structure and the internal financial reporting systems. Accordingly, the figures appearing in these financial statements relate to the Company's single business segment.

Geographical segments

The Company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The figures appearing in these financial statements relate to the Company's single geographical segment, being operations in the Indian sub-continent.

44. LOANS AND ADVANCES IN THE NATURE OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES AND FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

Details of amounts recoverable from subsidiary companies in which directors are interested are the same as disclosed under note no. 30. The maximum amount outstanding anytime during the year are as follows :-

	31 March 2016	31 March 2015
Cairn Energy Hydrocarbons Limited	-	4.86
Cairn Lanka Private Limited	-	0.21
Cairn South Africa Proprietary Limited	0.16	0.16

No loans have been given to the subsidiaries, associates, firms and companies, in which directors are interested.

45. SCHEME OF ARRANGEMENT WITH PARENT COMPANY

The Board of Directors at their meeting held on 14 June 2015, have approved a Scheme of Arrangement (the "Scheme") between the Company and its parent company Vedanta Limited and their respective shareholders and creditors. As per the Scheme, the implementation of which is subject to the receipt of necessary approvals from the non-promoter group shareholders and relevant regulatory authorities, the Company is proposed to be amalgamated into Vedanta Limited, with effect from 1 April 2015 or such date as may be approved by the High Court.

46. PREVIOUS YEAR FIGURES

The Company has reclassified and regrouped the previous year figures to confirm to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP

Chartered Accountants
ICAI Firm Registration No.:301003E

per Naman Agarwal

Partner
Membership No. 502405

Navin Agarwal

Chairman
DIN 00006303

Mayank Ashar

Managing Director &
Chief Executive officer
DIN 07001153

Aman Mehta

Director
DIN 00009364

Place: Gurgaon
Date: 22 April 2016

Sudhir Mathur

Chief Financial Officer

Neerja Sharma

Director- Assurance & Communication
and Company Secretary
ICSI Membership No. A9630