

BOARD PAPER FOR CAIRN ENERGY GUJARAT BLOCK 1 LIMITED

Subject	Utilization of surplus funds of Cairn Energy Gujarat Block 1 Limited ("CEGBL1") by way of declaring dividend to its parent company – Cairn India Holdings Ltd ("CIHL"), Jersey.
Prepared by	Sunil Gupta - Head Taxation & Insurance
Reason for Paper	CEGBL1 has availability of surplus funds from operations with no immediate need. Hence the surplus funds can be transferred to CIHL, Jersey to meet its expenditure and investments.
Decisions / Approvals Sought	Dividend declaration from CEGBL1 to CIHL of upto USD 5,500

Background:

CEGBL1 is 100% subsidiary of CIHL and lying dormant as of now in UK and at present has unused fund lying in bank account which can be remitted back to CIHL.

Accordingly, in absence of any operative plans, it being proposed to return the surplus funds with the company to its shareholder by declaring dividend.

As on date, the Company has distributable bank surplus of USD 5,500. We are required to distribute bank surplus of CEGBL1 so as to ensure the Balance sheet of the said entity will be Nil.

Proposal:

It is proposed to move the surplus funds from CEGBL1 to CIHL by way of Dividend .

Approval Sought:

Approval is hereby sought from the CEGBL1 Board for:

- 1) Dividend declaration from CEGBL1 to CIHL of upto USD 5,500



Company number: SC255308
Cairn Energy Gujarat Block 1 Limited
(the "Company")
WRITTEN RESOLUTION OF THE BOARD OF DIRECTORS

PURPOSE OF THE WRITTEN RESOLUTION:

The purpose of this written resolution is to:

1. Approve the payment by the Company of Dividend to the Company's sole shareholder, Cairn India Holdings Limited ("CIHL") for an amount upto USD 5,500;
2. Instruct and authorize the Head Treasurer of the Company to make payment of the said Dividend subject to considering the relevant laws, accounts and the financial position of the Company and giving certain confirmations to the directors with regard to such payment of Dividend;

CONSIDERATION OF RELEVANT LAWS

1. In accordance with Regulations 102 to 108 (Inclusive) of table A (which applies to the Company by virtue of article 1 of the Articles), the directors are permitted to pay Dividend only if it appears to them that the dividend is justified by the profits of the Company available for distribution.
2. Under the provisions of the Companies Act, 2006 ("CA 2006"), a company is not permitted to make a distribution except out of profits available for the purpose (being its accumulated, realized profits, so far as not previously utilized by distribution or capitalization, less its accumulated realized losses, so far as not previously written off in a reduction or reorganization of capital duly made).
3. In determining the amount of the Company's distributable profits, the directors are required, in the first place, to have regard to the Company's most recent published audited annual accounts. The directors are also required to consider the profitability of the Company since the end of the period to which those accounts relate in order to assess whether the Company's profits available for distribution have been eroded since that date.
4. If a dividend cannot be supported in this way, then that dividend will be unlawful, with the result that:
 - Any shareholder receiving such dividend who knows, or has reasonable grounds to believe, that the dividend contravenes the statutory rules is liable to repay it (or that part of it which is unlawful) under section 847 of CA 2006; and
 - The directors of the company who were party to the making of the dividend may be exposing themselves to potential liability to the Company.
5. Even if the statutory tests (summarized above) are satisfied, the payment of the dividend will be unlawful if it is paid out of capital or if it is reasonably foreseeable (having regard to the whole of the Company's business, and the actual and contingent liabilities inherent in that business) that the dividend would cause the Company to be unable to pay its debts as they fall due. Any director who was party to the decision to pay such an unlawful dividend would expose herself / himself to potential personal liability for breach of duty.




It is proposed to authorize the payment of Dividend of upto USD 5,500 to CIHL. A detailed Board Paper on the proposal is considered by the Board Members in addition to the Company's last audited balance sheet and income statement as at March 31, 2021.

By signing these resolutions, the Directors **RESOLVE THAT:**

- Dated: 31 January 2022

[illegible]

Vikash Jain
Director


Vikash Jain
Director