



WE FUEL AMAZING

# Notice

## CAIRN INDIA LIMITED

Registered Office: 101, West View, Veer Savarkar Marg, Prabhadevi, Mumbai - 400025

Corporate Office: Vipul Plaza, 3rd & 4th Floors, Sun City, Sector 54, Gurgaon - 122002

### Notice of Annual General Meeting

Notice is hereby given that the Seventh Annual General Meeting of Cairn India Limited will be held at 10:30 A.M. on Wednesday, the 24 July, 2013 at Rangsharda Auditorium, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai-400050, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31 March, 2013 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Directors' and Auditors' thereon.
2. To confirm declaration and payment of interim dividend for the year 2012-13 and to declare final dividend for the year ended 31 March, 2013.
3. To appoint a Director in place of Mr. Naresh Chandra, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Edward T. Story, who retires by rotation and is eligible for re-appointment.
5. To appoint S. R. Batliboi & Co. LLP (formerly M/s. S. R. Batliboi & Co.), Chartered Accountants, statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** Mr. P. Elango, who was appointed as an additional Director of the Company by the Board of Directors with effect from 21 January, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose term of office shall be liable to retirement by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and subject to such other approvals as may be necessary and in accordance with the approval of the Remuneration Committee and the Board of Directors at their meetings held on 21 January, 2013 and increment of salary (effective 1 July, 2013) approved by the Remuneration Committee at its meeting held on 22 April, 2013, consent of the Company, be and is hereby accorded for the appointment Mr. P. Elango as Whole Time Director of the Company with effect from 21 January, 2013 on the terms and conditions and remuneration as set out in the explanatory statement attached to this notice.

**RESOLVED FURTHER THAT** the tenure of Mr. P. Elango, as Whole Time Director shall be as determined by the Board or a Committee constituted by the Board and as mutually agreed with Mr. P. Elango but will not exceed the limit prescribed under the Companies Act, 1956.

**RESOLVED FURTHER THAT** no sitting fees will be paid to Mr. P. Elango for attending meetings of the Board of Directors or any Committee thereof.

**RESOLVED FURTHER THAT** the appointment of Mr. P. Elango shall be subject to retirement by rotation.

**RESOLVED FURTHER THAT** the aggregate of salary, perquisites, bonus, allowances and commission, if any, in any financial year shall not exceed the limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof be and is hereby authorized to increase, augment and/or vary the remuneration to be paid and provided from time to time to Mr. P. Elango in accordance with the provisions of the Companies Act, 1956, and/or any statutory modification or re-enactment, thereof and/or the guidelines for managerial remuneration issued by the Government of India or other appropriate authority in that behalf as in force and as amended from time to time.

**RESOLVED FURTHER THAT** pursuant to Section 309(3) read with Section 198(4) and other applicable provisions, if any, of the Companies Act, 1956, the remuneration as aforesaid be paid and provided as minimum remuneration to Mr. P. Elango as Whole Time Director, notwithstanding that in any financial year of the Company during his term of Office, the Company may have made no profits or its profits may be inadequate.

**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof be and is hereby authorized to take such steps or do all acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors  
For **Cairn India Limited**



**Neerja Sharma**  
Director – Risk Assurance  
& Company Secretary

Place: Gurgaon  
Date: 22 April, 2013

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The relevant details of Directors seeking appointment / re-appointment under items 3, 4, & 6 as required by clause 49 of the Listing Agreement with the Stock Exchanges are also annexed.
3. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of item 6 of the accompanying notice is annexed.
4. Copies of all documents referred to in the notice and explanatory statement annexed thereto are available for inspection at the registered office of the Company between 10.00 a.m. and 1.00 p.m. on all working days till the date of the meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 12 July, 2013 to Wednesday, 24 July, 2013 (both days inclusive).
6. The dividend as recommended by the Board of Directors, if approved by the Shareholders at the ensuing Annual General Meeting, shall be paid to those members whose names appear on the Register of Members of the Company on 11 July, 2013. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on 11 July, 2013 as per the details furnished by the respective Depositories for this purpose.
7. Members seeking any information with regard to accounts are requested to write to the Company Secretary at least ten days in advance, to enable the Company to keep the information ready.
8. Members are requested to:
  - (a) Bring their copy of the Annual Report for the meeting.
  - (b) Send to the Registrars the ECS Bank Mandate Form, to ensure safe and prompt receipt of dividend, if any. This is to avoid fraudulent encashment of dividend warrants.
  - (c) Note that all correspondence relating to Share Transfers should be addressed to Registrar and Transfer Agents of the Company, viz., Link Intime India Private Limited, at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.
  - (d) Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
9. Pursuant to Ministry of Corporate Affairs (MCA) Circular no. 17/2011 and 18/2011 dated 21 April, 2011 and 29 April, 2011 respectively, the companies are allowed to send communication to shareholders electronically. The Company welcomes this Green initiative of MCA and intends to send all documents/communications to its shareholders through email. We request you to kindly update your email Id with your respective Depository Participant and make this effort of your company a grand success.
10. Securities and Exchange Board of India (SEBI) vide its circular dated 21 March, 2013, has mandated that for making cash payments to the investors, companies whose securities are listed on the stock exchanges shall use any RBI approved electronic mode of payment such as ECS, RECS, NECS, NEFT etc. The Companies and the Registrar and Share Transfer Agents are required to seek relevant bank details of shareholders from depositories for making cash payment dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide, update or amend (as the case may be) their bank details with the respective depository participant for the shares held in demat mode and with the Registrar and Share Transfer Agent for physical shares.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 6

Pursuant to the provisions of Section 260 of the Companies Act, 1956, and Article 133 of the Articles of Association of the Company, the Board of Directors on 21 January, 2013, appointed Mr. P. Elango as Additional Director of the Company, to hold office up to the date of this Annual General Meeting. In terms of Section 257 of the Companies Act, 1956, a notice proposing the candidature of Mr. Elango has been received by the Company.

Mr. P. Elango, 51, is a Cairn veteran, who has played a key role in the growth of Cairn India into a leading Oil & Gas company in India. Over a career spanning over 26 years in Upstream Oil & Gas Sector, Mr. Elango has held several leadership roles in different areas of the business and is currently a recognized leader in the industry in India.

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

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

He holds an MBA from Annamalai University, Chennai. The appointment of Mr. P. Elango shall be subject to retirement by rotation.

Mr. Elango was appointed as Whole Time Director on 21 January, 2013 on his existing remuneration and the same was approved by the Remuneration Committee. No increment was provided to him at that time. However, as part of the annual increment and performance appraisal system of the Company, the Remuneration Committee at its meeting held on 22 April, 2013 has approved the increase in remuneration of Mr. Elango effective 1 July, 2013. The same is well within the limits prescribed under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act for the time being in force.

The terms and conditions and the remuneration proposed to be paid to Mr. Elango is set out as under:

S. No.	Particulars	21 January, 2013 to 30 June, 2013	Effective 1 July, 2013
1	Basic salary	INR 644,000 per month	INR 870,000 per month
2.	Special Allowance	INR 389,000 per month	INR 565,000 per month
3.	House Rent Allowance	up to 40% of Basic salary	up to 40% of Basic salary
4.	Other benefits, perquisites and allowances	As per the Company's policy and as may be determined by the Remuneration Committee of the Board from time to time. However, the total of benefits, perquisites and allowances shall not exceed 100% of basic salary	As per the Company's policy and as may be determined by the Remuneration Committee of the Board from time to time. However, the total of other benefits, perquisites and allowances shall not exceed 100% of basic salary
5.	Annual performance incentive/ bonus	Up to a maximum of 100% of salary, perquisites and allowances	Performance incentive up to a maximum of 100% of salary, perquisites and allowances. Discretionary Bonus, if any to be decided by the Remuneration Committee of the Board from time to time
6.	Grant of stock options under Cairn India Performance Option Plan	Criteria and grant size to be decided by Remuneration Committee of the Board from time to time	Criteria and grant size to be decided by Remuneration Committee of the Board from time to time

The proposed remuneration of Mr. P. Elango, is in line with the remuneration being paid in the industry to the CEOs and Whole Time Directors. The proposed remuneration is also justified keeping in view his professional qualification, relevant industry experience, size of the Company and current salary structure in the industry for such senior positions in any private sector organization. Further, no sitting fees will be paid to him for attending meetings of the Board of Directors or any Committee thereof.

Mr. Elango holds 177,746 equity shares of INR 10 each in the Company.

Abstract under Section 302 of the Companies Act, 1956 was sent to the shareholders when Mr. Elango was appointed by the Board on 21 January, 2013. The revised terms and remuneration of Mr. Elango effective 1 July, 2013, as stated in this notice, may be treated as an abstract under Section 302 of the Companies Act, 1956. The copy of relevant resolution of the Remuneration Committee in respect of the increase in remuneration of Mr. P. Elango is available for inspection at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all working days.

The Board recommends the resolution set out above for approval of the members as an Ordinary Resolution.

Except Mr. P. Elango, no other Director of the company is in any way concerned or interested in the resolution.

By Order of the Board of Directors  
For **Cairn India Limited**



**Neerja Sharma**  
Director-Risk Assurance  
& Company Secretary

Place: Gurgaon  
Date: 22 April, 2013

## DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(In pursuance of clause 49 of the Listing Agreement)

Name of Director	Mr. Naresh Chandra	Mr. Edward T. Story	Mr. P. Elango
Date of Birth	1 August, 1934	7 November, 1943	18 July, 1961
Nationality	Indian	US National	Indian
Date of Appointment	21 September, 2006	18 March, 2009	21 January, 2013
Expertise in specific functional areas	Administrative Services and General Management	Oil & Gas Industry	Oil and Gas and General Management
Qualifications	M.Sc. in Mathematics from Allahabad University and retired IAS Officer	B.Sc. & MBA	MBA
Directorship held in other companies	<ul style="list-style-type: none"> <li>Hindustan Motors Ltd.</li> <li>Electrosteel Castings Ltd.</li> <li>Bajaj Auto Ltd.</li> <li>Bajaj Finserv Ltd.</li> <li>Bajaj Holdings and Investments Ltd.</li> <li>Balrampur Chini Mills Ltd.</li> <li>Gammon Infrastructure Project Ltd.</li> <li>EROS International Media Ltd.</li> <li>AVTEC Ltd.</li> <li>G4S Corporate Services (India) Pvt. Ltd.</li> <li>Emergent Ventures India Pvt. Ltd.</li> <li>Vedanta Resources Plc.</li> <li>EROS International Plc.</li> </ul>	<ul style="list-style-type: none"> <li>SOCO International Plc.</li> <li>Baanthong Properties</li> <li>TMB- Mongolian Health Clinic</li> </ul>	<ul style="list-style-type: none"> <li>Cairn India Holdings Ltd.</li> <li>Cairn Energy Holdings Ltd.</li> <li>Cairn Energy Hydrocarbons Ltd.</li> <li>Cairn Exploration (No.7) Ltd.</li> <li>Cairn Exploration (No.6) Ltd.</li> <li>Cairn Exploration (No.4) Ltd.</li> <li>Cairn Exploration (No.2) Ltd.</li> <li>Cairn Energy Gujarat Block 1 Ltd.</li> <li>Cairn Energy Discovery Ltd.</li> <li>Cairn Petroleum India Ltd.</li> <li>Cairn Energy India Pty Ltd.</li> <li>CIG Mauritius Holding Private Ltd.</li> <li>CIG Mauritius Private Ltd.</li> <li>Cairn Lanka (Pvt) Ltd.</li> <li>Cairn South Africa Proprietary Ltd.</li> </ul>
Committee position in Cairn India Ltd.	<ul style="list-style-type: none"> <li>Audit Committee-Member</li> <li>Remuneration Committee-Chairman</li> </ul>	<ul style="list-style-type: none"> <li>Audit Committee- Member</li> <li>Nomination Committee- Member</li> <li>Shareholders'/ Investors' Grievance Committee- Member</li> </ul>	None
Membership/Chairmanship of Committees* of other Indian public companies :			
Audit Committee	<ul style="list-style-type: none"> <li>Hindustan Motors Ltd. – Chairman</li> <li>Electrosteel Castings Ltd.- Member</li> <li>Bajaj Holdings and Investments Ltd.- Member</li> <li>Gammon Infrastructure Project Ltd.- Member</li> <li>Bajaj Finserv Ltd.- Member</li> <li>EROS International Media Ltd.- Member</li> </ul>	None	None
Shareholders'/ Investors' Grievance Committee	<ul style="list-style-type: none"> <li>Bajaj Auto Ltd.- Member</li> </ul>	None	None
Shareholding in the Company	None	None	177,746 Equity Shares of INR 10 each

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





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CAIRN INDIA ANNUAL REPORT 2012-13

# EXPLORING FOR TOMORROW

# 205,323

Average daily gross operated production (boepd)

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# US\$ 3.2 billion

Record revenues in FY2013

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# US\$ 3 billion

Net Capex through FY2016

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# US\$ 2 billion

Cash flow generated in FY2013

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# 26

Discoveries in Rajasthan to date

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## Re-commenced exploration in the Rajasthan block

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Cairn India is amongst the world's fastest-growing independent oil and natural gas exploration and production companies, with 1.3 billion boe of gross proved and probable reserves and resources as of 31 March 2013 and 205,323 boepd of average operated production in FY2013. We combine a world-class asset portfolio with proven expertise across exploration, development and production. We deliver best-in-class production growth with one of the lowest operating costs to create significant value for all stakeholders.



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## CHAIRMAN'S STATEMENT

**In the past 12 months, Cairn India consolidated its position as one of the world's largest producing independent exploration companies with a rising production profile and an established exploration programme positioned to further increase India's oil and gas production for the long term.**

This exploration programme, which will be fully funded from Cairn India's own cash resources and target a gross recoverable risked prospective resource of 530 mmboe will, when successful, help reduce India's dependence on oil imports, which currently stands at ~75% of the country's total oil usage. Cairn India is already a major producer domestically, operating 25% of the country's oil production.

This is set against the backdrop of a global energy landscape that continues to shift, in particular the increasing emergence of shale gas in the United States. This is leading the US to become less dependent on foreign imports for its own needs. Whilst in the future, US shale gas is likely to make its way into the Indian energy mix, it remains a highly energy and capital-intensive process, even in today's relatively high oil price environment. In this context, the stable, low cost domestic production that Cairn India offers is critical for the country's energy requirements. As one of the lowest cost producers in the world, we continue to play a key role in helping India meet its energy needs.



Cairn India is at a major inflection point in its corporate development. From our well established and highly cash generative production base, the Company is now embarking on a landmark exploration programme of its Indian asset base. This has the potential to transform Cairn India's already sizeable production profile and be a major economic driver for the country. The aggressive exploration and fast-track development is designed to bring new fields into production in a region where Cairn India has already discovered around 1.3 billion boe of gross proved and probable reserves and resources but has drilled only a part of its acreage.

For example, the Aishwariya field was successfully brought on-stream, and is now our fifth producing field on our world-class Rajasthan block. This played a part in the Company reporting another year of record production with daily output at over 205,000 barrels of oil equivalent. This achievement, delivered at one of the lowest costs per barrel in the industry, is a credit to the entire Cairn India team. The commencement of gas sales from Rajasthan was another key milestone.

Even as Cairn India is leading the way in opening up the country's oil & gas reserves, it makes a significant gross contribution to the exchequer - ~US\$ 3.6 billion for the FY2013. Similarly, at a regional level, over the past fiscal year the Company has made a multitude of positive contributions in the regions in which we operate, strengthening the local economies and supporting the communities.

Exploration has been, and will continue to be, central to our growth plans. We appreciate Government of India's support and for granting us policy clarity to continue exploring in Rajasthan as we strive to realise the basin's full potential. Across Cairn India's portfolio, exploration potential abounds, both in our blocks in India as well as in our more recent international entries of Sri Lanka and South Africa.

In addition to the Government of India, I would also like to thank the state and private companies we work so closely with and with whom we enjoy mutually beneficial partnerships.

For the FY2013 we reported record financial results and are continuing with our dividend payout policy of around 20% of annual consolidated net profits.

We are fortunate to have been able to attract the talent we see today in the Company, across all disciplines and at all levels and I thank all Cairn India employees for their dedication in making Cairn India the company it is today.

We are committed to ensuring your Company is a safe place to work and are pleased to be amongst the top 10 global E&P companies in Health, Safety and Environment perspective.

Cairn India has an exciting future ahead. We have a well-balanced portfolio of exploration, development and producing assets and a clear plan, which will see us aggressively pursue exploration and development

opportunities in the months and years ahead, funded by our strong production base and harnessed by the on-going application of innovative technologies.

This programme has the potential to not only radically change India's oil production profile but also the size of the Company and its presence in the global oil & gas space.

**Navin Agarwal**  
Chairman

Date: 22 April, 2013



## CEO'S STATEMENT

It is an honour for me to share with you the achievements of your Company in the course of fiscal year 2012-13 (FY2013). First and foremost, you will be pleased to know that we continue to conduct our operations safely. Today your Company ranks among the top 10 Global Oil & Gas companies in HSE performance based on the International Association of Oil & Gas Producers (OGP) benchmark. The key financial highlights for the year gone by are:

- Cairn India delivered a record revenue of INR 175,241 million (US\$ 3,223 million), a 48% increase over the previous year.
- There was a 41% increase in the Company's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) — to INR 130,332 million (US\$ 2,397 million) in FY2013.
- Profit after tax increased by 52% to INR 120,564 million (US\$ 2,218 million) in FY2013.
- We generated cash flows of INR 110,556 million (US\$ 2,034 million). This helped the balance sheet to be debt free with cash balance of INR 167,131 million (US\$ 3,073 million) as on 31 March, 2013
- Your Company's Board of Directors recommended a final dividend of INR 6.50 per ordinary equity share — or a total dividend of INR 11.50 per share for FY2013. With the dividend distribution tax, this translates to a total payout of 21.2% of Cairn India's consolidated PAT for the year.

Other achievements on the operational side in the FY are equally impressive.