

Disclosures with respect to Employees' Stock Option Scheme, 2016 of the Company pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2018:

(A) Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time

Members may refer to the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2017-18.

(B) Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Diluted EPS for the year ended March 31, 2018 in accordance with Ind-AS 33 (Earnings per Share) is as below:

- EPS after tax and exceptional items: ₹ 28.24
- EPS after tax but before exceptional items: ₹26.11

(C) Details related to ESOS-2016

Sr. No	Particulars	ESOS 2016 Scheme	Cairn India Employee Stock Option Plan (2006)
I. Details of the ESOS			
1	Date of Shareholder's Approval	Postal Ballot approval on December 12, 2016	The plan was approved by the shareholders of erstwhile Cairn India Limited (CIL) at the Extra-ordinary General Meeting held on November 17, 2006 and was ratified at the AGM held on September 20, 2007.
2	Total Number of Options approved	14,82,50,244 options	The plan was further modified in terms of the approval of the shareholders granted at the AGM held on August 22, 2012.
3	Vesting Requirements	1 to 3 years basis Company's Relative Total Shareholder Return (RTSR) performance against two comparator groups. The first peer group consists of 15 global companies and the second group consists of 6 Indian peer companies.	Further, the Nomination and Remuneration Committee of CIL at their meeting held on April 11, 2017 approved the following: <ul style="list-style-type: none"> • Conversion of outstanding Cairn Stock Options to equivalent number of Vedanta stock options with Modified Exercise price; • Modified Exercise price of the Vedanta stock options to be equal to the Original Exercise Price of Cairn India Stock Options less INR 40.00; • Vedanta stock required to settle these outstanding stock options to be sourced through Secondary market acquisition via ESOS Trust formed to enable Vedanta Limited Share Plan.
4	The Pricing Formula	Re. 1(Par Value)	
5	Maximum term of Options granted (years)	3 years	
6	Source of shares	Secondary Acquisitions	
7	Variation in terms of ESOP	NIL	
II. Method used for accounting		Fair Value Method	
III. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employees compensation cost based on intrinsic value of the stock and the fair value for the year and its impact on profits and on EPS of the Company		NA	
IV. Option Movement during the year			
		No. of Options	No. of Options
1	Number of Options Outstanding at the beginning of the year	7,803,400	8,962,666
2	Number of Options Granted during the year	1,00,88,960	0
3	Number of Options Forfeited / Surrendered during the year	11,36,108	239,282
4	Number of Options Lapsed during the year	0	0
5	Number of Options Vested during the year	0	0
6	Number of Options Exercised during the year	0	1,592,759
7	Number of shares arising as a result of exercise of options	0	0
8	Money realized by exercise of options if scheme is implemented directly by the Company	0	0
9	Loan repaid by the Trust during the year from exercise price received	Nil	0
10	Number of Options Outstanding at the end of the year	1,67,56,252	7,130,625
11	Number of Options exercisable at the end of the year	Nil	7,130,625
V. Weighted average Fair Value of Options granted during the year whose			
(a)	Exercise price equals market price	NA	NA
(b)	Exercise price is greater than market price	NA	NA

(c) Exercise price is less than market price	275.3/161.1	NA
Weighted average Exercise price of options granted during the year whose		
(a) Exercise price equals market price	NA	NA
(b) Exercise price is greater than market price	NA	NA
(c) Exercise price is less than market price	Re. 1	NA
The weighted average market price of options exercised during the year	No options were exercised during the year	324.64

Exercise Price

For Stock options outstanding at the end of the period Re. 1 As decided by the Nomination and Remuneration Committee

VI Employee-wise details of options granted during the financial year 2017-18 to:

i) Name of employee	Designation	No. of options granted
Mr. Navin Agarwal	Executive Chairman	Nil
Mr. Tarun Jain	Whole Time Director	1,11,980
Mr. Thomas Albanese	Whole Time Director & Chief Executive Officer	Nil
Mr. GR Arun Kumar	Whole Time Director & Chief Financial Officer	66,070
Ms. Bhumika Sood	Company Secretary	6,720
(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year		
Name of employee	Designation	
Nil		
(iii) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.		
Name of employee	Designation	
Nil		

VII Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value of options granted with time based vesting have been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Variables	Assumptions	
	ESOS 2016 Scheme-ESOS 2017 Plan	Cairn India Employee Stock Option Plan (2006)
1. Risk Free Interest Rate	6.50%	NA
2. Expected Life(in years)	3 years	NA
3. Expected Volatility	48.00%	NA
4. Dividend Yield	3.70%	NA
5. Price of the underlying share in market at the time of the option grant (₹)	308.90	NA
Assumptions:		NA
As given in the Fair valuation report		NA
The fair value of options granted with performance based vesting have been calculated using the Monte Carlo Option Pricing model		
The Assumptions used in the model are as follows:		
Variables	Assumptions	NA
1. Risk Free Interest Rate	6.50%	NA
2. Expected Life(in years)	3 Years	NA
3. Expected Volatility	48.00%	NA
4. Dividend Yield	3.70%	NA
5. Price of the underlying share in market at the time of the option grant (₹)	308.90	NA
Assumptions:		
As given in the Fair valuation report		

NOTE: The Nomination and Remuneration Committee of the erstwhile Cairn India Limited (CIL) at their meeting held on April 11, 2017, had approved cash out of the outstanding Cairn India Performance Option Plan (CIPOP) Options. The payout was based on the stock price of CIL as on March 27, 2017 less exercise price of INR 10.

Details Related to Trust

Details in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are as follows:

I. General information on all schemes

S. No.	Particulars	Details
1	Name of the Trust	Vedanta Limited ESOS Trust
2	Details of the Trustee(s)	(1) Suresh Bose, Vedanta Limited, DLF Atria, Phase 2, Jacaranda Marg, DLF City, Gurgaon 122002 (Haryana) (2) Deodatta Padgaonkar, Vedanta Limited, Vedanta House, 75 Nehru Road, Vile Parle (East), Mumbai 400099 (Maharashtra) (3) Dilip Pattanayak, Hindustan Zinc Limited, 'Yashad Bhawan', (4) Anup Agarwal, Vedanta Limited, DLF Atria, Phase 2, Jacaranda Marg, DLF City, Gurgaon 122002 (Haryana) (5) Rashmi Mohanty, Vedanta Limited, DLF Atria, Phase 2, Jacaranda Marg, DLF City, Gurgaon 122002 (Haryana)
3	Amount of loan disbursed by company / any company in the group, during the year	₹ 2,02,19,71,406
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 2,36,09,63,536
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

II. Brief details of transactions in shares by the Trust

Sl. No.	Particulars	Details
1	Number of shares held at the beginning of the year	3,984,256
2	Number of shares acquired during the year through	
	(i) primary issuance	Not Applicable
	(ii) secondary acquisition,	68,42,374
3	Number of shares acquired during the year as a percentage of paid up equity capital as at the end of the previous financial year	0.2308%
4	Weighted average cost of acquisition per share	₹ 295.51
5	Number of shares transferred to the employees / sold along with the purpose thereof	15,92,759
6	Number of shares held at the end of the year	92,33,871

III. III. In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	39,84,256 (0.134%)
Acquired during the year	68,42,374
Sold during the year	0
Transferred to the employees during the year	15,92,759
Held at the end of the year	92,33,871