

## DISCLOSURE UNDER THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

Sl. No.	Particulars	ESOS 2016 Scheme	Cairn India Employee Stock Option Plan (2006)
A.	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Refer note 25 of the Standalone Financials for the year ended March 31, 2020, of the Annual Report. (Disclosures are provided in accordance with Ind AS 102, Share based payment)	
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 – Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time	NA	NA
<b>C. Details of the ESOS</b>			
<b>I. Description of ESOS</b>			
(a)	Date of Shareholder's Approval	Postal Ballot approval on December 12, 2016	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ The plan was further modified in terms of the approval of the shareholders granted at the AGM held on August 22, 2012.</li> <li>▪ The Plan further got modified pursuant to the merger of CIL with Vedanta Limited (VEDL), in line with scheme of Merger Agreement. Treatment of outstanding CIESOP upon merger was approved by the NRC of CIL at their meeting held as on April 11, 2017 and by NRC of VEDL as on July 25, 2017 as detailed below: <ul style="list-style-type: none"> <li>– Conversion of outstanding Cairn Stock Options to equivalent number of Vedanta stock options with Modified Exercise price;</li> <li>– Modified Exercise price of the Vedanta stock options to be equal to the Original Exercise Price of Cairn India Stock Options less ₹ 40.00;</li> <li>– 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;</li> </ul> </li> </ul>
(b)	Total Number of Options approved	148,250,244 options	
(c)	Vesting Requirements	3 years basis Company's Business Performance, Relative Total Shareholder Return (RTSR) performance against two comparator groups and continued employment with the Company. The first peer group consists of 15 global companies and the second group consists of 6 Indian peer companies.	
(d)	The Pricing Formula	₹ 1 (Par Value)	
(e)	Maximum term of Options granted (years)	3 years	
(f)	Source of shares	Secondary Acquisitions	
(g)	Variation in terms of ESOP	Nil	
II.	<b>Method used for accounting</b>	Fair Value Method	Fair Value Method
III.	<b>Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee's 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</b>	NA	NA

<b>IV. Option Movement during the year:</b>			
	<b>No. of Options</b>	<b>No. of Options</b>	
1	Number of Options Outstanding at the beginning of the year (April 1, 2019)	28,387,583	6,477,059
2	Number of Options Granted during the year	16,713,640 (Additionally 100,000 options were taken as buffer for new joinees)	Nil
3	Number of Options Forfeited / Surrendered during the year	4,760,086	476,656
4	Number of Options Lapsed during the year	4,311,753	658,663
5	Number of Options Vested during the year	1,688,957	Nil
6	Number of Options Exercised during the year*	620,441	Nil
7	Number of shares arising as a result of exercise of options	620,441	Nil
8	Money realised by exercise of options if scheme is implemented directly by the Company	NA as the scheme is implemented through a Trust.	Nil
9	Loan repaid by the Trust during the year from exercise price received	Nil	Nil
10	Number of options Outstanding at the end of the year	35,408,943	5,341,740
11	Number of Options exercisable at the end of the year	1,068,516	5,341,740

\*excludes 58,420 options exercised during the year regarding which the transaction could not be completed before March 31, 2020 and hence, the corresponding shares were not transferred to the concerned employees.

<b>V. Weighted average Exercise price of options granted during the year whose</b>			
(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	₹ 1	NA
<b>Weighted average Fair Value of Options granted during the year whose</b>			
(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	51.5/102.30/72.12	NA

<b>VI. The weighted average market price of options exercised during the year</b>	₹ 126.02	No options were exercised during the year
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<b>VII. Exercise Price</b>		
For Stock options outstanding at the end of the period	₹ 1	As decided by the Nomination & Remuneration Committee

#### **VIII. Employee-wise details of options granted during the financial year 2019-20 to:**

<b>(a) Senior Managerial Personnel</b>		
<b>Name of employee</b>	<b>Designation</b>	<b>No. of options granted</b>
Mr. Navin Agarwal <sup>(1)</sup>	Executive Chairman	Nil
Mr. Tarun Jain <sup>(2)</sup>	Non-Executive Director	Nil
Mr. Srinivasan Venkatakrishnan <sup>(3)</sup>	Whole-Time Director & Chief Executive Officer	Nil
Mr. GR Arun Kumar	Whole-Time Director & Chief Financial Officer	170,440
Ms. Prerna Halwasiya	Company Secretary & Compliance Officer	13,210
Mr. Ajay Dixit	CEO (Acting) – Cairn Oil & Gas	121,720
Ms. Madhu Srivastava	Chief Human Resources Officer	59,050
Mr. Sunil Duggal	Interim CEO, Vedanta Limited	181,970
Mr. Ajay Kapur	CEO – Aluminium & Power Sector	273,860

<sup>(1)</sup>Mr. Navin Agarwal has been awarded 513,260 units under Vedanta Resources Limited Long-Term Incentive Plan 2019. The payment upon vesting will be made from Vedanta Resources Limited, UK.

<sup>(2)</sup>Mr. Tarun Jain, Non-Executive Director, ceases to be a Director w.e.f. April 1, 2020, pursuant to completion of his tenure.

<sup>(3)</sup>Mr. Venkat has been awarded 448,140 units under Vedanta Resources Limited Long-Term Incentive Plan 2019. The payment upon vesting will be made from Vedanta Resources Limited, UK, however, as Mr. Venkat has resigned from Vedanta Resources Limited and Vedanta Limited w.e.f. close of business hours on April 5, 2020, hence all awarded units are forfeited.

**(b) 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	No. of options granted
Nil	NA	NA

**(c) 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	No. of options granted
Nil	NA	NA

**IX. Method and Significant Assumptions used to estimate the fair value of options granted during the year:**

**The fair value of options granted under business performance based and sustained individual performance based Options have been calculated using Black Scholes Merton Option Pricing model**

The Assumptions used in the model are as follows:

Variables	Assumptions	
	ESOS 2016 Scheme	Cairn India Employee Stock Option Plan (2006)
(a) 1. Risk Free Interest Rate	Refer Notes to	NA
2. Expected Life (in years)	Accounts – Note 25	
3. Expected Volatility	of the Standalone	
4. Dividend Yield	Financials for the	
5. Price of the underlying share in market at the time of the option grant (₹)	year ended March 31, 2020 of the Annual Report.	
6. Weighted-average values of share price		
7. Weighted average exercise price		
(b) Method used and the assumptions made to incorporate the effects of expected early exercise;		NA
(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;		NA
(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.		NA

**The fair value of options granted under Total Shareholder Returns Based Options have been calculated using Monte Carlo Simulation Method**

The Assumptions used in the model are as follows:

Variables	Assumptions	
	ESOS 2016 Scheme	Cairn India Employee Stock Option Plan (2006)
(a) 1. Risk Free Interest Rate	Refer Notes to	NA
2. Expected Life(in years)	Accounts – Note 25	
3. Expected Volatility	of the Standalone	
4. Dividend Yield	Financials for the	
5. Price of the underlying share in market at the time of the option grant (₹)	year ended March 31, 2020 of the Annual Report.	
6. Weighted-average values of share price		
7. Weighted average exercise price		
(b) Method used and the assumptions made to incorporate the effects of expected early exercise;		NA
(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and		NA
(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.		NA

## 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

Sl. No.	Particulars	Details
1.	Name of the Trust	Vedanta Limited ESOS Trust
2.	Details of the Trustee(s)	(1) Mr. Praveen Purohit, Vedanta Limited, ASF Center, 1 <sup>st</sup> Floor, ASF Center, Tower B, 362-363, Jwala Mill Road, Udyog Vihar, Phase IV, Gurgaon - 122 016 (Haryana) (2) Mr. Deodatta Padgaonkar, Vedanta Limited, Vedanta House, 75 Nehru Road, Vile Parle (East), Mumbai - 400 099 (Maharashtra) (3) Mr. Abhishek Chhajera, Electrosteel Steels Limited, Village: Siyaljori, PO-Jogidih, OP: Bangaria, PS: Chandankyari, Dist. Bokaro (Jharkhand) (4) Ms. Leena Verenkar, Vedanta Limited, Sesa Ghor, 20 EDC Complex Patto, Panaji, Goa - 403 001
3.	Amount of loan disbursed by company / any company in the group, during the year	Nil
4.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 3,341,993,979
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 (April 1, 2019)	14,998,702
2.	Number of shares acquired during the year through	
	(i) primary issuance	Not Applicable
	(ii) secondary acquisition,	Nil
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	Nil
4.	Weighted average cost of acquisition per share	Nil
5.	Number of shares transferred to the employees / sold along with the purpose thereof (till March 31, 2020)	620,441 - Exercise under VEDL ESOS Plan 2016
6.	Number of shares held at the end of the year (as on March 31, 2020)	14,378,261

### 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 (April 1, 2019)	14,998,702
Acquired during the year	Nil
Sold during the year	410,634
Transferred to the employees during the year (till March 31, 2020)	209,807
Held at the end of the year (as on March 31, 2020)	14,378,261