

DISCLOSURES WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME 2015 OF THE COMPANY PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2021

During the year, there were no changes, material or otherwise in the Employee Stock Option Scheme 2015 ('ESOP Scheme 2015'). The ESOP Scheme 2015 is in compliance with the Companies Act, 2013 read with rules and the SEBI (Share Based Employee Benefits) Regulations and other SEBI Regulations, if any.

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.

Shareholders may refer to the audited financial statement prepared for FY21 which forms part of the Integrated Annual Report FY2020-21.

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, 2021 is Rs.101.79.

C. Details related to ESOS

- i. A description of each ESOP Schemes that existed at any time during the year, including the general terms and conditions of each ESOP Schemes, including –

Particulars	ESOP Scheme 2015
(a) Date of shareholders' approval	September 14, 2015 & September 8, 2016
(b) Total number of options approved under ESOS	8,062,500
(c) Vesting requirements	Vesting at the rate of 20 % each year
(d) Exercise price or pricing formula	Re.1
(e) Maximum term of options granted	7 years
(f) Source of shares (primary, secondary or combination)	Primary
(g) Variation in terms of options	No variations have been made in terms of options during FY21

- ii. Method used to account for ESOS (Intrinsic or fair value): Fair Value
- iii. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed. **Not Applicable.**

Larsen & Toubro Infotech Ltd.

Technology Tower 1, Gate No.5, Saki Vihar Road, Powai, Mumbai-400072, India
T +91 22 6776 6776 | F +91 22 2858 1130



iv. Option movement during FY21:

Particulars	ESOP Scheme – 2015
Number of options outstanding at the beginning of the period i.e. April 1, 2020	1,525,395
Number of options granted during the year*	83,650
Number of options forfeited/ lapsed during the year	102,600
Number of options vested during the year	622,852
Number of options exercised during the year	623,839
Number of shares arising as a result of exercise of options	623,839
Money realized by exercise of options, if scheme is implemented directly by the Company (INR)	623,839
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year i.e. March 31, 2021	882,606
Number of options exercisable at the end of the year i.e. March 31, 2021	122,208

*Note: Stock Options granted during FY21

S. N.	Date of grant	No. of options granted
1	May 19, 2020	8,100
2	July 15, 2020	54,930
3	October 20, 2020	10,025
4	January 19, 2021	10,595
	TOTAL	83,650

- v. Weighted-average exercise price is Re.1 and weighted-average fair value of options granted during the year is Rs. 2,348.93.
- vi. Employee wise details of options granted to –
- Senior Managerial Personnel: Nil
 - Any other employees who were granted options amounting to 5% or more of options granted during the year is given below:

S. N.	Name of the Senior Managerial Personnel	Designation	Number of Options granted during the year
1	Vasistha Prashant Achanta*	Vice President & Head Fulfillment	8,100
2	Banwari Agarwal	Executive Vice-President	27,440
3	Vikash Gaur	EVP & Head	27,490
4	Archana Ramanakumar	EVP & Global Delivery Head – CMT	10,025
5	Ramesh Kannan	Executive Vice President, Global Sales Office	10,595

Note: * Has resigned from the Company, hence the stock options granted have lapsed.

- 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. Nil

Larsen & Toubro Infotech Ltd.

Technology Tower 1, Gate No.5, Saki Vihar Road, Powai, Mumbai-400072, India
T +91 22 6776 6776 | F +91 22 2858 1130

vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model:

S. N.	Particulars	2020-21
1	Weighted average risk-free interest rate	4.62%
2	Weighted average expected Options life	3 years
3	Weighted average expected volatility	25.17%
4	Weighted average expected dividends per share of face value of Re. 1	Rs. 148.59
5	Weighted average share price	Rs. 2,349.87
6	Weighted average exercise price	Re. 1

(b) Method used and the assumptions made to incorporate the effects of expected early exercise: Black-Scholes Options Pricing Model. The assumptions are stated in the above table.

(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;
The expected volatility has been calculated entirely based on historic volatility IT Index.

(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition – Yes. The features are mentioned below:

- a. Weighted average risk-free interest rate
- b. Weighted average expected volatility
- c. Weighted average share price

Larsen & Toubro Infotech Ltd.

Technology Tower 1, Gate No.5, Saki Vihar Road, Powai, Mumbai-400072, India
T +91 22 6776 6776 | F +91 22 2858 1130