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**DISCLOSURES WITH RESPECT TO EMPLOYEE STOCK OPTION SCHEME 2015 OF THE COMPANY PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AS ON MARCH 31, 2022**

During FY22, there has been no material change in the Employee Stock Option Scheme 2015 ('ESOP Scheme 2015') of the Company and is in compliance with the Companies Act, 2013 read with rules thereunder and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other SEBI Regulations, if any.

Disclosures required under Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are as under:

- A. Relevant disclosures in terms of accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.**

For details, shareholders may refer to the audited financial statement which forms part of the Integrated Annual Report FY2021-22.

- 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 Central Government or any other relevant accounting standards as issued from time to time.**

Diluted EPS for ESOP Scheme 2015 for the year ended March 31, 2022 is INR 128.77.

**c. Details related to ESOS**

- i. Description including the general terms and conditions of ESOP Scheme 2015 is as follows:

Sl. No.	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 will commence one year after the date of Grant at the rate of 20% of Grant each year
(d)	Exercise price or pricing formula	Par value of Re.1 /- each
(e)	Maximum term of options granted	7 years

**Larsen & Toubro Infotech Ltd.**

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(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 FY22

- 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.**
- iv. **Option movement during FY22:**

Particulars	ESOP Scheme - 2015
Number of options outstanding at the beginning of the period i.e. April 1, 2021	8,82,606
Number of options granted during the year*	45,285
Number of options forfeited/ lapsed during the year	82,428
Number of options vested during the year	5,40,462
Number of options exercised during the year	5,19,548
Number of shares arising as a result of exercise of options	5,19,548
Money realized by exercise of options, if scheme is implemented directly by the Company (INR)	5,19,548
Loan repaid by the Trust during the year from exercise price	N.A.
Number of options outstanding at the end of the year i.e. March 31, 2022	3,25,915
Number of options exercisable at the end of the year i.e. March 31, 2022	1,43,122

\*Note: Details of Stock Options granted during FY22

Sl. No.	Date of Grant	No. of stock options granted
1	May 4, 2021	11,770
2	July 15, 2021	19,955
3	October 18, 2021	7,390
4	January 19, 2022	6,170
	<b>TOTAL</b>	<b>45,285</b>

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- v. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:
  - Weighted-average exercise price: Re.1
  - Weighted-average fair value of options granted during the year: INR 4667.46.
- vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -
  - a. Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Sl. No.	Name of the Senior Managerial Personnel	Designation	Number of Options granted during the year	Exercise Price of Options granted
1	Mr. Anil Rander	Chief Financial Officer	3,630	INR 1
2	Mr. Tridib Kumar Barat	Company Secretary	515	INR 1

- b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year:

Sl. No.	Name of the Senior Managerial Personnel	Designation	Number of Options granted during the year	Exercise Price of Options granted
1.	Mr. Jitendra Chakravarthy Putcha	Executive Vice President	5,635	INR 1
2.	Mr. Ramanarayanan Khizamboor	Executive Vice President	2,505	INR 1
3.	Mr. Amarnath Juluri	Vice President	7,600	INR 1
4.	Mr. Srinivas Rao Veluvali	Executive Vice President	5,635	INR 1
5.	Mr. Saravanan Krishnapuram	Vice President	3,135	INR 1
6.	Mr. Sandeep Deb	Vice President - Chief Technology Officer	2,375	INR 1
7.	Mr. Seshadri Parthasarathy	Executive Vice President	5,655	INR 1

- 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: Nil

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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:

Sl. No.	Particulars	2021-22
1	Weighted average risk-free interest rate	5.00%
2	Weighted average expected Options life	3 Years
3	Weighted average expected volatility	27.67%
4	Weighted average expected dividends per share of face value of Re. 1	INR 189.16
5	Weighted average share price	INR 4668.46
6	Weighted average exercise price	INR 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 Company's share price.

(d) Whether and how any other features of the options granted 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

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