

Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014

The Securities and Exchange Board of India (SEBI), vide its notification dated October 28, 2014, had issued the SEBI (Share-based Employee Benefits) Regulations, 2014 ('the SEBI Regulations'), which replaced the SEBI ESOP Guidelines, 1999.

Infosys Limited ('the Company') had a 2011 RSU Plan ('the 2011 Plan'), which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The 2011 Plan was (as explained below) required to be amended and restated in accordance with the SEBI Regulations. Consequently, to effect this change and to further introduce stock options / American Depositary Receipts (ADRs) and other stock incentives, the Company put forth the 2015 Stock Incentive Compensation Plan ('the 2015 Plan') for approval to the shareholders of the Company.

The 2015 Plan: Pursuant to the approval by the shareholders through a postal ballot which ended on March 31, 2016, the Board of Directors has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 Plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are currently held by the Infosys Limited Employees Welfare Trust ('the Trust') towards the 2011 Plan as of March 31, 2016). Out of this, 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price. These instruments will generally vest over a period of four years and the Company expects to grant the instruments under the 2015 Plan over a period of four to seven years.

The disclosures pursuant to Regulation 14 of the SEBI Regulations are detailed under:

Sl. No.	Particulars	Details
1	The Board of directors in its report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations.	Refer to the <i>Board's Report</i> , page 45 of the Annual Report 2017-18.
2	Further, the following details, <i>inter alia</i> , shall be disclosed on the Company's website and a web-link thereto shall be provided in the report of the Board of directors.	
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.	Disclosed in the Notes to Accounts – Note 2.10 of the Standalone Financials for the year ended March 31, 2018, page 174 of the Annual Report. (Disclosures are provided in accordance with <i>Ind AS 102, Share-based payment</i>)
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	Refer to page 147 and page 200 of the Annual Report for disclosure of Diluted EPS at standalone and consolidated levels. <i>(Disclosures are provided in accordance with Ind AS 33, Earnings Per Share)</i>
C	Details related to ESOS / RSU	
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including	
	(a) Date of shareholders' approval	The 2015 Plan March 31, 2016
	(b) Total number of options approved under ESOS	The maximum number of shares under the 2015 Plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are currently held by the Trust towards the 2011 Plan as of March 31, 2016).

Sl. No.	Particulars	Details
	(c) Vesting requirements	These instruments will generally vest over a period of four years
	(d) Exercise price or pricing formula	The exercise price for the RSUs will be equal to the par value of the shares and the exercise price of stock options would be the market price as on the date of the grant
	(e) Maximum term of options granted	<i>Refer to Annexure 1 below</i>
	(f) Source of shares (primary, secondary or combination)	Combination of primary and secondary
	(g) Variation in terms of options	Not applicable.
(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 the year (For each ESOS/ RSU) :	
	Number of options outstanding at the beginning of the period	<i>Refer to Annexure 1 below</i>
	Number of options granted during the year	
	Number of options forfeited / lapsed during the year	
	Number of options vested during the year	
	Number of options exercised during the year	
	Number of shares arising as a result of exercise of options	
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	
	Loan repaid by the Trust during the year from exercise price received	
	Number of options outstanding at the end of the year	
	Number of options exercisable at the end of the year	
(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.	<i>Refer to Annexure 1 below</i>
(vi)	Employee-wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to :	<i>Refer to Annexure 3 below</i>
	(a) Key managerial personnel;	
	(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; and	
	(c) Identified employees who were granted options, 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.	

Sl. No.	Particulars	Details
(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; (b) The method used and the assumptions made to incorporate the effects of expected early exercise; (c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	<i>Refer to Annexure 1 below</i>
D.	Details related to ESPS – NIL	
E.	(i) Details related to SARs –	
	(a) Date of shareholders' approval	The 2015 Plan March 31, 2016
	(b) Total number of shares approved under SAR scheme	The maximum number of shares under the 2015 Plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are currently held by the Trust towards the 2011 Plan as of March 31, 2016).
	(c) Vesting requirements	These instruments will generally vest over a period of four years
	(d) SAR price or pricing formula	The exercise price will be equal to the par value of the shares or market price as on the date of the grant, as the case may be
	(e) Maximum term of SARs granted	Refer to Annexure 2 below
	(f) Method of settlement	Cash-settled
	(g) Source of shares (primary, secondary or combination)	Not applicable, cash-settled.
	(ii) Method used to account for SARs – Intrinsic or fair value.	Fair value
	(iii) Where the Company opts for expensing of SAR using the intrinsic value of SAR, 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 SAR, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Not applicable
	(iv) SAR movement during the year :	
	Number of SARs outstanding at the beginning of the period	<i>Refer to Annexure 2 below</i>
	Number of SARs granted during the year	
	Number of SARs forfeited / lapsed during the year	
	Number of SARs vested during the year	
	Number of SARs exercised during the year	
	Number of options outstanding at the end of the year	
	Number of options exercisable at the end of the year	

Sl. No.	Particulars	Details																					
(v)	Employee-wise details (name of employee, designation, number of SARs granted during the year, exercise price) of SARs granted to : (a) Key managerial personnel; (b) Any other employee who receives a grant in any one year of amounting to 5% or more of SAR granted during that year; and (c) Identified employees who were granted SAR, 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. Refer to Annexure 3 below.	<i>Refer to Annexure 3 below</i>																					
F.	Details related to GEBS / RBS – 1,00,000 equity shares have been earmarked for welfare activities of the employees.																						
G.	Details related to Trust																						
(i)	General information on schemes																						
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Particulars</th> <th></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Name of the Trust</td> <td>Infosys Employee Benefits Trust</td> </tr> <tr> <td>2</td> <td>Details of the Trustee(s)</td> <td>Binod Rangadore Hampapur Richard Lobo Jayesh Dhanvantkumar Sanghrajka Sunil Kumar Dhareshwar</td> </tr> <tr> <td>3</td> <td>Amount of loan disbursed by the Company / any company in the group, during the year</td> <td>NIL</td> </tr> <tr> <td>4</td> <td>Amount of loan outstanding (repayable to the Company / any company in the group) as at the end of the year</td> <td>NIL</td> </tr> <tr> <td>5</td> <td>Amount of loan, if any, taken from any other source for which the Company / any company in the group has provided any security or guarantee</td> <td>NIL</td> </tr> <tr> <td>6</td> <td>Any other contribution made to the Trust during the year</td> <td>NIL</td> </tr> </tbody> </table>	Sl. No.	Particulars		1	Name of the Trust	Infosys Employee Benefits Trust	2	Details of the Trustee(s)	Binod Rangadore Hampapur Richard Lobo Jayesh Dhanvantkumar Sanghrajka Sunil Kumar Dhareshwar	3	Amount of loan disbursed by the Company / any company in the group, during the year	NIL	4	Amount of loan outstanding (repayable to the Company / any company in the group) as at the end of the year	NIL	5	Amount of loan, if any, taken from any other source for which the 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	
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6	Any other contribution made to the Trust during the year	NIL																					
(ii)	Brief details of transactions in shares by the Trust (a) Number of shares held at the beginning of the year – 1,11,89,514 ⁽¹⁾ (b) Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share – Nil (c) Number of shares transferred to the employees / sold along with the purpose thereof – 487,558 (these shares were transferred on exercise of RSUs) (d) Number of shares held at the end of the year – 1,07,01,956 ⁽¹⁾ (a+b-c) ⁽¹⁾ Excludes 1,00,000 equity shares which have been earmarked for welfare activities of the employees																						

Sl. No.	Particulars	Details
(iii)	In case of secondary acquisition of shares by the Trust – NIL	
	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	NIL
	Acquired during the year	
	Sold during the year	
	Transferred to the employees during the year	
	Held at the end of the year	
	Annexures :	
	1. Disclosures related to equity-settled plans	
	2. Disclosures related to cash-settled plans	
	3. Grants made during fiscal 2018 to CEO, COO and other key management personnel	

Annexure 1

Disclosures related to equity-settled plans

The activity in the 2015 Plan (formerly the 2011 RSU Plan) for equity-settled share-based payment transactions during the year ended March 31, 2018 is set out below :

Particulars	Year ended March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan : RSU		
Outstanding at the beginning	2,961,373	5
Granted	2,280,608	5
Exercised	648,217	5
Forfeited and expired	843,355	5
Outstanding at the end	3,750,409	5
Exercisable at the end	24,205	5
2015 Plan : Employee Stock Options (ESOPs)		
Outstanding at the beginning	1,197,650	992
Granted	491,575	943
Exercised	52,412	983
Forfeited and expired	669,900	961
Outstanding at the end	966,913	986
Exercisable at the end	196,912	992

During the year ended March 31, 2018, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹992

The following table summarizes information about equity-settled RSUs and ESOPs outstanding as at March 31, 2018 :

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan :			
0 - 5 (RSU)	3,750,409	1.89	5.00
900 - 1100 (ESOP)	966,913	6.60	992.68
	4,717,322	2.57	207.45

The fair value of each equity-settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

For options granted in	Fiscal 2018 – Equity Shares – RSU	Fiscal 2018 – Equity shares – ESOP	Fiscal 2018 – ADS – RSU	Fiscal 2018 – ADS – ESOP
Weighted average share price (₹) / (\$- ADS)	1,144	923	16.61	14.65
Exercise price (₹)/ (\$- ADS)	5.00	919	0.08	14.67
Expected volatility (%)	20-25	25-28	21-26	25-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.78	2.78	2.74	2.74
Risk-free interest rate (%)	6 - 7	6 - 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / (\$- ADS)	1,066	254	15.47	2.93

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behavior of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

Annexure 2

Stock Appreciation Rights:

During fiscal 2018, the Company granted 50,040 incentive units (cash-settled) to certain eligible employees at mid and senior levels under the 2015 Plan. As of March 31, 2018, the total number of incentive units outstanding (net of forfeitures) was 1,11,757.

There was no significant change in assumptions used in determining fair value of equity-settled and cash-settled stock incentive unit plans. Refer to Annexure 1 for assumptions related to equity-settled plans, as the grants were made on the same dates for both equity- and cash-settled stock incentive plans.

Annexure 3

Grants made during fiscal 2018 to CEO, COO and other key management personnel

Name of KMP	RSU	Exercise price	ESOP	Exercise price	Category
Salil Parekh ^(*)	1,13,024	INR 5.00	NIL	NIL	Indian shares
U.B. Pravin Rao	27,250	INR 5.00	43,000	INR 918.95	Indian shares
Dr. Vishal Sikka ^(#)	2,70,224	USD 0.07	3,30,525	USD 14.54	ADR
M.D. Ranganath	66,850	INR 5.00	NIL	NIL	Indian shares
Ravi Kumar S.	66,850	INR 5.00	NIL	NIL	ADR
Mohit Joshi	66,850	INR 5.00	NIL	NIL	ADR
Krishnamurthy Shankar	12,400	INR 5.00	NIL	NIL	Indian shares
Inderpreet Sawhney	58,150	INR 5.00	44,450	USD 15.80	ADR
A.G.S. Manikantha	2,000	INR 5.00	NIL	NIL	Indian shares

(*) Pursuant to the approval of the shareholders through a postal ballot on February 20, 2018, Salil Parekh is eligible to receive the following under the 2015 Plan,

- an annual grant of RSUs of fair value ₹3.25 crore, which will vest over time in three equal annual installments upon completion of each year of service from the respective grant date
- a one-time grant of RSUs of fair value ₹ 9.75 crore, which will vest over time in two equal annual installments upon completion of each year of service from the grant date, and
- annual grant of performance-based RSUs of fair value ₹ 13 crore, which will vest after the completion of three years, the first of which concludes on March 31, 2021, subject to the achievement of performance targets set by the Board or its committee.

The Board, based on the recommendations of the nomination and remuneration committee, approved on February 27, 2018, the annual time-based grant for fiscal 2018 of 28,256 RSUs and the one-time, time-based grant of 84,768 RSUs. The grants were made effective February 27, 2018.

(#) Consequent to Dr. Vishal Sikka's resignation from the Company on August 24, 2017, the unvested stock incentives (time-based and performance-based awards) granted to him were forfeited.

Note: No other employee was granted shares in the year amounting to 5% or more of the total shares granted during the year. Similarly, there was no grant in the year that was equal to or exceeding 1% of the issued capital of the Company

Exercises by CEO, COO and other key management personnel:

Name of KMP	Number of RSUs exercised	Number of ESOPs exercised
Dr. Vishal Sikka	70,772	—
Krishnamurthy Shankar	3,012	—
M.D. Ranganath	7,662	—
Ravi Kumar S.	13,087	28,187
Rajesh K. Murthy	11,250	24,225
Mohit Joshi	13,087	—
A.G.S. Manikantha	250	—

Additional grants given after March 31, 2018 (with a grant date of May 2, 2018)

CEO:

The Board, based on the recommendations of the nomination and remuneration committee, granted 1,08,600 performance-based RSUs to Salil Parekh with an effective date of May 2, 2018. The grants would vest upon successful completion of three full fiscal years with the Company concluding on March 31, 2021 and will be determined based on achievement of certain performance targets for the said three-year period.

COO:

The Board, based on the recommendations of the nomination and remuneration committee, granted 27,250 RSUs and 43,000 ESOPs to U.B. Pravin Rao with an effective date of May 2, 2017. On May 2, 2018, U.B. Pravin Rao has exercised 6,812 RSUs.