

Note 35: Employee Benefits

A. Defined Contribution Plans:

Contribution to defined contribution plan, recognised in the Standalone Statement of Profit and Loss under Company's Contribution to Provident Fund and Other Funds in Employee Benefits Expenses for the year are as under:

Particulars	₹ in Crores	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Employer's contribution to Regional Provident Fund Commissioner	1.69	1.45
Employer's contribution to Family Pension Fund	3.30	2.98
Employer's contribution to Superannuation Fund	5.01	4.22

B. Defined Benefit Plans:

a. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's Financial Statements as at 31st March, 2018 and 31st March, 2017:

Particulars	₹ in Crores	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Change in Defined Benefit Obligation		
Defined Benefit Obligation at the beginning	33.34	24.16
Current Service Cost	2.88	2.68
Interest Expense	2.25	1.84
Benefit Payments from Plan Assets	(3.84)	(1.80)
Remeasurements – Actuarial (gains) / losses	0.30	6.46
Defined Benefit Obligation at the end	<u>34.93</u>	<u>33.34</u>
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning	26.81	19.45
Interest Income	2.24	1.34
Employer Contributions	8.29	6.51
Benefit Payments from Plan Assets	(3.84)	(1.80)
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)		
Increase / (Decrease) due to Plan combination	—	0.99
Remeasurements – Return on plan assets excluding amounts included in interest income	(1.37)	0.32
Fair Value of Plan Assets at the end	<u>32.13</u>	<u>26.81</u>
Net (Liability)	<u>(2.80)</u>	<u>(6.53)</u>

Components of Defined Benefit Cost recognised in the Standalone Statement of Profit and Loss under Employee Benefits Expense:

Particulars	₹ in Crores	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Current Service Cost	2.88	2.68
Net Interest Cost	0.01	0.50
Defined Benefit Cost recognised in the Standalone Statement of Profit and Loss	<u>2.89</u>	<u>3.18</u>

Note 35: Employee Benefits (contd.)

B. Defined Benefit Plans (contd.)

a. Gratuity (contd.)

Components of Defined Benefit Cost recognised in the Statement of Other Comprehensive Income:

₹ in Crores

Particulars	Year ended	Year ended
	31st March, 2018	31st March, 2017
Actuarial (gains) / losses on Defined Benefit Obligation.....	0.30	6.46
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset).....	1.37	(0.32)
Defined Benefit Cost recognised in the Statement of Other Comprehensive Income.....	<u>1.67</u>	<u>6.14</u>

The assumptions used to determine net periodic benefit cost are set out below:

Particulars	Valuation Date	
	31st March, 2018	31st March, 2017
Discount Rate.....	7.70%	7.20%
Salary Escalation.....	7.50%	7.50%
Weighted average duration of the Defined Benefit Obligation (years).....	12.78	12.82

Sensitivity Analysis:

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	₹ in Crores	
	31st March, 2018	31st March, 2017
Under Base Scenario.....	34.93	33.33
Salary Escalation – Up by 1%.....	37.89	35.68
Salary Escalation – Down by 1%.....	32.31	30.31
Withdrawal Rates – Up by 1%.....	34.79	32.66
Withdrawal Rates – Down by 1%.....	35.08	33.03
Discount Rates – Up by 1%.....	32.52	29.61
Discount Rates – Down by 1%.....	37.71	35.08
Expected Rate of Return on Planned Asset	7.70%	7.20%

Mortality Table	31st March, 2018		31st March, 2017	
	Male	Female	Male	Female
Attained Age				
20	0.09%	0.09%	0.09%	0.09%
25	0.10%	0.10%	0.10%	0.10%
30	0.11%	0.11%	0.11%	0.11%
35	0.13%	0.13%	0.13%	0.13%
40	0.18%	0.18%	0.18%	0.18%
45	0.29%	0.29%	0.29%	0.29%
50	0.49%	0.49%	0.49%	0.49%
55	0.79%	0.79%	0.79%	0.79%
60	1.15%	1.15%	1.15%	1.15%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company contributes all ascertained liabilities towards gratuity to the fund maintained by the Life Insurance Corporation of India.

The Company expects to contribute ₹ 2.80 Crores (2016-2017 ₹ 6.53 Crores) to the fund during the subsequent accounting year.

b. Provident Fund (Managed by the Trust set up by the Company)

The Company has contributed ₹ 2.09 Crores (2016-2017 ₹ 1.90 Crores) to the Provident Fund Trust. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the guaranteed interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall.

Note 35: Employee Benefits (contd.)

B. Defined Benefit Plans (contd.)

b. Provident Fund (Managed by the Trust set up by the Company) (contd.)

The details of fund and plan asset position are given below:

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Plan assets at period end, at fair value.....	58.78	50.21
Present value of benefit obligation at period end	57.07	46.27
Asset recognised in balance sheet.....	Nil	Nil

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Discount Rate (%)	7.70	7.20
Guaranteed Interest Rate (%)	8.55	8.65
Expected Average Remaining Working Lives of Employees (Years)	8.37	6.40

c. Compensated Absences

The increase in provision for compensated absences for the year is ₹ 1.85 Crores (2016-2017 ₹ 3.06 Crores).

Note 29: Employee Benefits Expense

Salaries and Wages	203.20	175.86
Contribution to Provident and Other Funds (Refer Note 35).....	13.50	12.61
Staff Welfare Expense.....	9.86	9.65
	<u>226.56*</u>	<u>198.12*</u>

*Includes ₹ 16.97 Crores (2016-2017 ₹ 15.77 Crores) expenditure incurred on Research and Developments