

# Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

## 17 Employee benefits

### *Short-term employee benefits*

Wages and salaries including non monetary benefits that are expected to be settled within the operating cycle after the end of the period in which the related services are rendered, are measured at the undiscounted amount expected to be paid.

### *Defined contribution plans*

Provident fund administered through Regional Provident Fund Commissioner, Superannuation Fund and Employees' State Insurance Corporation are defined contribution schemes. Contributions to such schemes are charged to the statement of profit and loss in the year when employees have rendered services entitling them to contributions. The Company has no obligation, other than the contribution payable to such schemes.

### *Defined benefit plans*

The Company has defined benefit gratuity plan and provident fund for certain category of employees administered through a recognised provident fund trust. Provision for gratuity and provident fund for certain category of employees administered through a recognised provident fund trust are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss, other than remeasurements. The cost of providing these benefits is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses and the effect of the asset ceiling, (excluding amounts included in net interest on the net defined benefit liability and return on plan assets), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

### *Other long-term employee benefits*

The Company also has other long-term employee benefits in the nature of compensated absences and long term retention pay. Provision for compensated absences and long term retention pay are determined on an actuarial basis at the end of the year and charged to Statement of Profit and Loss. The cost of providing these benefits is determined using the projected unit credit method.

### *Share based payments*

Equity settled share based payments to employees under SRF Long Term Share Based Incentive Plan (SRF LTIP) are measured at the fair value (which is the market price less exercise price) of the equity instruments on the grant date. This compensation expense is amortised over the remaining tenure over which the employees renders their service on a straight line basis.

# Notes to the standalone financial statements

for the year ended March 31, 2022

(All amounts in ₹ Crores, unless otherwise stated)

## 34 EMPLOYEE SHARE BASED PAYMENTS

The Company has an Employee Share Purchase Scheme (SRF Long Term Share Based Incentive Plan) to provide equity settled share based payments to eligible employees. The expenses related to the grant of shares under the Scheme are accounted for on the basis of fair value of the share on the grant date (which is the market price of the Company's share on the date of grant less exercise price). The fair value so determined is expensed on a straight line basis over the remaining tenure over which the employees renders their services.

The movement of number of equity shares granted, their fair value and the share based payment expense recognised during the year are as under:

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Number of equity shares:</b>		
(i) At the beginning of the year	60,000	60,000
(ii) Impact of bonus issue of shares (Refer to note 13.1)	240,000	-
(iii) Granted during the year *	195,000	-
(iv) Released during the year ^	(300,000)	-
(v) At the end of the year	195,000	60,000
Market price on the grant date (₹ per equity share)	2,126.05	-
Exercise price (₹ per equity share)	10.00	-
Fair value of share based payment (₹ per equity share)	2,116.05	-
Share based payment expense recognised during the year ^ #	28.61	0.98

\* These shares have a lock in period upto November 30, 2022 and are pledged for a period upto October 31, 2026.

^ During the current year, the Nomination and Remuneration Committee based upon the recommendations of the management released 300,000 equity shares from pledge, resulting into immediate vesting of these shares. As a result, an additional amount of ₹ 6.72 Crores has been recognised in the statement of profit and loss.

# Includes amount of ₹ 17.50 Crores (Previous year: Nil) towards withholding tax on equity shares granted under the above scheme.