



## *C2.3 – Employee benefits India and beyond*

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***Waves of Reforms...Oceans of Opportunities***

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India

# Agenda

Our evolution continues

Annual round up – India Inc. overview

Actuaries in focus each year

Where is our time being spent?

Evolution will continue

What's on the horizon?

# Snapshot AS15 – India Inc.



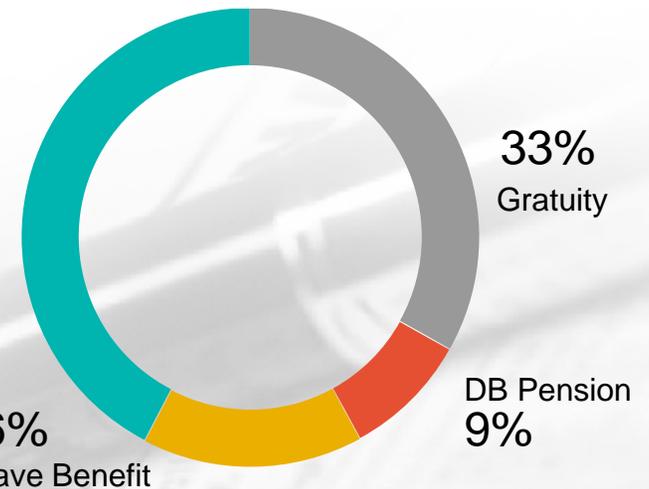
*3,600 billion rupees*  
DB obligations 2012 BSE100

Increase of 45% from  
2011

**BSE 100 excluding PSU banks**  
**Classification of**  
**Defined Benefit Schemes by liability**

- “Other DB plans” significant increase (up from 22% 2011) - Largely PF disclosures
- Overall, still BSE dominated by PSU Banks
- Overall funding from 80% to 86%

Other DB  
Plans  
42%



# Snapshot AS15 – India Inc.

- Median Salary increase assumption around 6%.
  - Wide spread continues...
  - Short term volatility continues...
- Median discount rate 8.5% compared to 8% year before. 2013 looking like 8% to 8.25%?



# Actuaries in focus

- Auditors continue to increase involvement
  - Assumptions
  - Gains/Losses explanations
- Clients nervous on volatility and especially quarter to quarter
  - Need to educate clients to their drivers of costs / liabilities
- Multinational companies - Oversea parents becoming more involved



# Actuaries in focus

- Key buyer of actuarial services largely aware of requirements and need for actuary
- Many not aware of Profession's guidance for actuaries and standards
- Call for the profession to update stakeholders on upcoming regulatory and framework changes

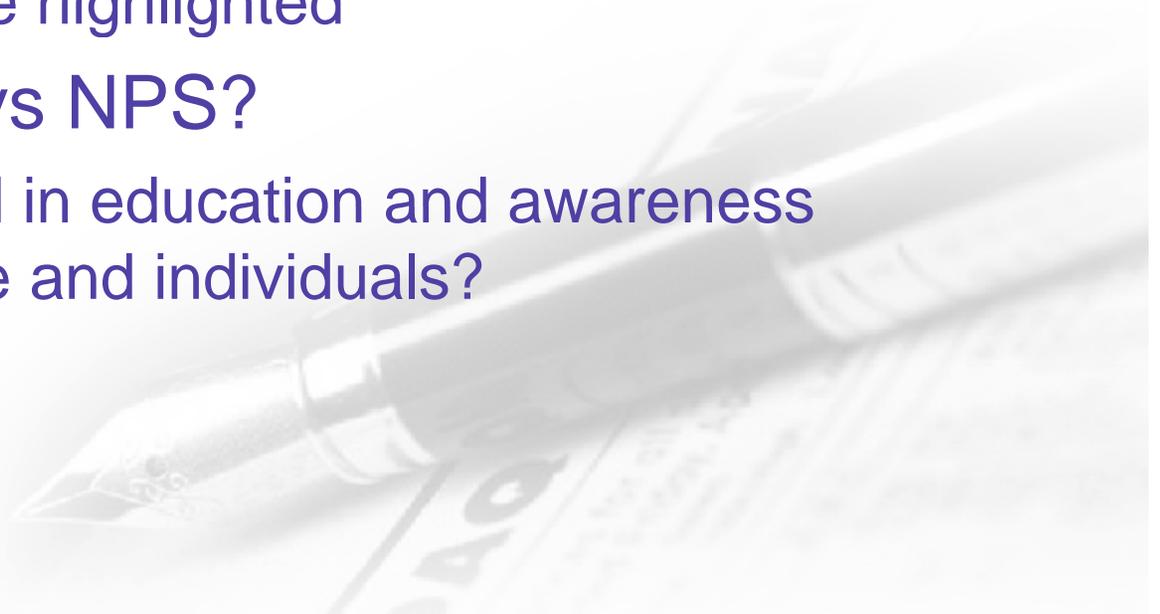


# Evolution to continue

- Increased focus on India actuaries helping Indian multinationals for overseas GAAP trends, especially with IAS developments and M&A situation
- Greater requirement to understand changes in liabilities and business context
- More detailed disclosures at home...
  - PF trusts valuations
  - towards IndAS19, more risk related disclosures

# Evolution to continue

- Funding plans? More companies looking to fund gratuity.....
- We're a young society BUT still millions coming into retirement
  - DC environment may pick up as need for retirement income highlighted
- Superannuation vs NPS?
  - Actuaries needed in education and awareness both for corporate and individuals?



# Summary

Actuaries opportunity to step up collectivity for clients and the public

Ensure companies understand relevance of liabilities to the business



Increased scrutiny leads to assumptions assistance and advice



Educate on the risks and characteristics of plans



Assist with business planning

Thank you.....