

Salary Growth Rate and Discount Rate Assumption of NSE 50 Companies

The following table depicts the Salary Growth Rate (SGR) and Discount Rate (DR) assumptions adopted by the companies in different sectors in the NSE50 Index over the past two years:

S. No.	Company Name	Industry	31 March 2019		31 March 2020	
			SGR	DR	SGR	DR
1	Adani Ports and Special Economic Zone Ltd.	SERVICES	8.00%	7.60%	8.00%	6.70%
2	Asian Paints Ltd.	CONSUMER GOODS	All Grades 9% for first 3 years 8% thereafter	7.57%	All Grades 9% for first 2 years 8% thereafter	6.67%
3	Axis Bank Ltd.	FINANCIAL SERVICES	7.00%	7.65%	7.00%	6.45%
4	Bajaj Auto Ltd.	AUTOMOBILE	10.00%	7.70%	10.00%	6.80%
5	Bajaj Finance Ltd.	FINANCIAL SERVICES	11.00%	7.70%	11.00%	6.80%
6	Bajaj Finserv Ltd.	FINANCIAL SERVICES	10.00%	7.70%	10.00%	6.80%
7	Bharat Petroleum Corporation Ltd.	OIL & GAS	8.00%	7.76%	8.00%	6.87%
8	Bharti Airtel Ltd.	TELECOM	7.00%	7.65%	7.50%	6.90%
9	Britannia Industries Ltd.	CONSUMER GOODS	7.00%	7.70%	7.00%	6.00%
10	Cipla Ltd.	PHARMA	7% for 2 Years and 5% thereafter starting from 3rd year	7.79%	5.00%	6.84%
11	Coal India Ltd.	METALS	9.00% for Executives and 6.25% for Non- Executives	7.55%	9.00% for Executives and 6.25% for Non- Executives	6.60%
12	Divi's Laboratories Ltd.	PHARMA	6.00%	7.63%	6.00%	6.77%
13	Dr. Reddy's Laboratories Ltd.	PHARMA	8% for first year and 9% thereafter	7.45%	7.50%	6.65%
14	Eicher Motors Ltd.	AUTOMOBILE	7.50%	7.80%	6.50%	6.85%
15	GAIL (India) Ltd.	OIL & GAS	10.00%	7.60%	10.00%	6.75%
16	Grasim Industries Ltd.	CEMENT & CEMENT PRODUCTS	5.5%-8%	7.60%	5.5%-8%	6.75%
17	HCL Technologies Ltd.	IT	7.00%	7.20%	8.00%	6.60%
18	HDFC Bank Ltd.	FINANCIAL SERVICES	8.00%	7.64%	7.00%	6.60%
19	HDFC Life Insurance Company Ltd.	FINANCIAL SERVICES	Salary growth is assumed at 6% for Front Line Staff & For Non Front Line Staff at 8% for service period up to one year and at 7.5% thereafter	7.75%	Salary growth is assumed at 6% for Front Line Staff & For Non Front Line Staff at 8% for service period up to one year and at 7.5% thereafter	6.80%
20	Hero MotoCorp Ltd.	AUTOMOBILE	6.50% for first year and 5.50% thereafter	7.50%	6.50%	6.60%
21	Hindalco Industries Ltd.	METALS	8.00%	7.50%	7.50%	6.50%
22	Hindustan Unilever Ltd.	CONSUMER GOODS	8.00%	7.70%	8.00%	6.70%
23	Housing Development Finance Corporation Ltd.	FINANCIAL SERVICES	6.00%	7.77%	6.00%	6.84%
24	ICICI Bank Ltd.	FINANCIAL SERVICES	7.00%	7.40%	7.00%	6.60%
25	ITC Ltd.	CONSUMER GOODS	NA	7.50%	4% - 5%	6.25%

S. No.	Company Name	Industry	31 March 2019		31 March 2020	
			SGR	DR	SGR	DR
26	Indian Oil Corporation Ltd.	OIL & GAS	8.00%	7.79%	8.00%	6.86%
27	IndusInd Bank Ltd.	FINANCIAL SERVICES	5.00%	7.50%-7.68%	5.00%	6.84%-6.90%
28	Infosys Ltd.	IT	8.00%	7.10%	6.00%	6.20%
29	JSW Steel Ltd.	METALS	6.00%	7.79%	6.00%	6.84%
30	Kotak Mahindra Bank Ltd.	FINANCIAL SERVICES	5.5% (IBA) and 7% (others)	7.15% - 7.64%	5.5% (IBA) and 0% until year 1, then 7% (others)	6.4% - 6.59%
31	Larsen & Toubro Ltd.	CONSTRUCTION	5.00%	7.48%	6.00%	6.63%
32	Mahindra & Mahindra Ltd.	AUTOMOBILE	N/A	7.50%	N/A	6.85%
33	Maruti Suzuki India Ltd.	AUTOMOBILE	7.00%	7.70%	7.00%	6.85%
34	NTPC Ltd.	POWER	6.50%	7.75%	6.50%	6.75%
35	Nestle India Ltd.	CONSUMER GOODS	7.1% to 12.6% for first five years and 5.5% thereafter	7.00%	7.7% to 12.6% for first five years and 5.5% thereafter	6.75%
36	Oil & Natural Gas Corporation Ltd.	OIL & GAS	7.50%	7.77%	7.50%	6.80%
37	Power Grid Corporation of India Ltd.	POWER	6.50%	7.75%	6.50%	6.75%
38	Reliance Industries Ltd.	OIL & GAS	6.00%	8.10%	4.00% p.a. for the next 2 years, 6.00% p.a. thereafter	6.84%
39	SBI Life Insurance Company Ltd.	FINANCIAL SERVICES	10% p.a. up to 5 years & 6% p.a. thereafter	6.76%	10% p.a. up to 5 years & 6% p.a. thereafter	5.45%
40	Shree Cement Ltd.	CEMENT & CEMENT PRODUCTS	13.07%	7.75%	12.46%	6.95%
41	State Bank of India	FINANCIAL SERVICES	5.20%	7.79%	5.40%	6.83%
42	Sun Pharmaceutical Industries Ltd.	PHARMA	10.00%	7.10%	9.38% - 10%	6.50%
43	Tata Consultancy Services Ltd.	IT	6.00%	7.75%	6.00%	6.50%
44	Tata Motors Ltd.	AUTOMOBILE	6% - 10%	6.75%-7.7%	5% - 10%	6.10% - 6.90%
45	Tata Steel Ltd.	METALS	7.5%-10%	7.50%	7.5%-10%	6.50%
46	Tech Mahindra Ltd.	IT	4-10%	7.10%	4-10%	6.40%
47	Titan Company Ltd.	CONSUMER GOODS	Management: 8% Non-Management: 7%	7.70%	Management: 8% Non-Management: 7%	6.90%
48	UPL Ltd.	FERTILISERS & PESTICIDES	7.00%	7.70%	7.50%	6.80%
49	UltraTech Cement Ltd.	CEMENT & CEMENT PRODUCTS	6% - 8%	7.6% - 7.65%	8.00%	6.65%
50	Wipro Ltd.	IT	7.52%	6.63%	7.40%	5.69%

Source: Annual reports of various companies, as available on the respective Companies' website.