

TRANSMISSION CORPORATION OF TELANGANA LIMITED

TSTRANSCO – Actuarial Valuation of terminal benefits for Pension, Gratuity and Earned Leave Encashment for 3 FYs i.e., 2014-15, 2015-16 & 2016-17 in respect of the employees and pensioners/family pensioners of TSTRANSCO – Reg.

T.O.O. ED (Finance) Rt. No. 794

Dt:25/03/2019

- Ref:- 1) U.O.No.FA&CCA(A/cs)/SAO(B&BS)/D.No.66/17 dt: 11/05/2017
2) Quote from Global Risk Consultants (GRC) referred by M/s AON Services India Pvt. Limited, Mumbai dt: 06/04/2018.
3) GRC Invoice No.299/GRC/2018-19 dt: 13/12/2018

1) TSTRANSCO assigned the work of Actuarial Valuation for Pension, Gratuity and Earned Leave Encashment in respect of its employees and pensioners/family pensioners for 3 FYs i.e., 2014-15(w.e.f.02/06/2014), 2015-16 & 2016-17 to M/s Global Risk Consultant with the following requirements:

2) Nature and scope of Actuarial Valuation: The Actuarial Valuation shall be in accordance with Accounting Standard IND AS-19 issued by the ICAI.

i) TSTRANSCO Pension & Gratuity Trust:

- a) Pension liability (both pensioners & family pensioners) in respect of employees who retired on or before 31st January, 1999 (100% borne by Master trust).
- b) Pension liability (both pensioners & family pensioners) in respect of employees who retired between 01/02/1999 to 31/03/2015, 31/03/2016 & 31/03/2017 respectively.
- c) Pension liability in respect of employees of TSTRANSCO who were on rolls as on 31/01/1999 and continuing in service as on date of valuation (Active employees).
- d) Gratuity liability in respect of employees of TSTRANSCO who were on rolls as on 31/01/1999 and continuing in service as on date of valuation (Active employees).

ii) TSTRANSCO Gratuity Trust:

Gratuity liability in respect of employees of TSTRANSCO who joined on or after 1st February 1999. These employees are not members of the pension scheme (100% by TSTRANSCO Gratuity Trust).

iii) TSTRANSCO Earned Leave Encashment Trust:

Earned Leave encashment liability for all the employees who were on roll as on valuation date.

iv) Determine the future contribution rates required as a percentage of the qualifying wage bill of the respective employees.

- v) (i) Bonds certificate No.1(Rs.1320.43 cr) - pertaining to pensioners as on 31/01/1999 - 100% commitment with the Master Trust/TSGENCO upto 2033.
(ii) Bonds certificate No.2(Rs.3066.52 cr) - pertaining to the active employees on rolls as on 31/01/1999 - 74% commitment with the Master Trust/TSGENCO and 26% commitment with TSTRANSCO P&G Trust upto 2029.

vi) Amount of gratuity to be considered in the report in respect of employees who are on rolls as on 31/01/1999 and continuing in the service as on the date of valuation is Rs 12 lakhs and the employees joined on or after 01/02/1999 is Rs.10 lakhs.

The following **assumptions** have been considered for Actuarial Valuation:

- i) Discount Rate : 7.80% p.a.
- ii) Salary Increase : 8.00%
- iii) Pension Increase rate : 5.27%
- iv) Commutation : 40%

Requirements: Statement of accrued liability, total service liability, available fund as on valuation date, percentage of contributions and cash flow statement may be shown separately for each trust.

3) M/s Global Risk Consultant (GRC) have furnished the following terms and conditions, fee payable etc., for the Actuarial Valuation to be carried out for 3 FYs i.e., 2014-15(w.e.f.02/06/2014), 2015-16 & 2016-17 respectively vide reference 2nd cited.

i) Scope of Services and Project Plan:-

Scope of services for this Agreement will be limited to the following.

Actuarial valuation for Pension & Gratuity Trust, Gratuity Trust and Leave Encashment Trust as per IND AS19 as on 31 March 2015, 31 March 2016 and 31 March 2017

ii) Designated Third Party Service Provider: Aon Consulting Private Limited is appointed by GRC as a third party service provider for provision of services to Client (hereinafter referred to as “Designated Third Party Service Provider”.

iii) Timeline:

GRC shall take 8 - 10 working days from the date of confirmation of your acceptance via return email of the appended General Terms and Conditions (GT&Cs) and receipt of data to complete the Services. Any deviation/delay, that impacts the timelines from the project plan and is not attributable to Firm, shall not constitute a delay by Firm.

iv) Professional Fees (Revised)

The total professional fees payable for the scope outlined above will be a consolidated amount of INR 3,60,000 (Rupees Three lakhs and sixty Thousand only) one time professional fees to be paid as per the terms/ tranches as mentioned in Payment Terms below.

v) Fee payable: The fee payable is as follows.

Scheme	Fees (INR)		
	31-Mar-15	31-Mar-16	31-Mar-17
Pension & Gratuity Trust	40,000	40,000	40,000
Gratuity Trust	40,000	40,000	40,000
Leave encashment Trust	40,000	40,000	40,000
	120,000	120,000	120,000

* GRC's fees for Services are exclusive of all applicable taxes

vi) Payment Terms

All payments become due immediately from the date of invoice and shall be made to Firm within 30 days from date of receipt of invoice without any deduction or set-off.

vi) **Payment of Fees:** Payment of fees will be arranged to the Actuary within (30) days from the date of receipt of final Actuarial Valuation report.

vii) **Schedule of completion of actuarial valuation:** The Actuarial Valuation shall be completed within 30 days from the date of furnishing the data.

1) M/s Global Risk Consultant has furnished the Actuarial Valuation Report on 15/02/2019.

2) The Pay Officer, TSTRANSCO is hereby authorized to release the payment of Rs.4,24,800/- (Rupees Four lakhs twenty four thousand and eight hundred only) including GST towards Actuarial fees to M/s Global Risk Consultant by way of RTGS system based on the claim preferred by Senior Accounts officer(Trusts,F&P) /TSTRANSCO/Vidyut Soudha/Hyderabad.

3) The expenditure is chargeable to A/c No.76.123

4) This order is issued with the concurrence of JMD(Fin,Comml&HRD) vide Regd.No. 1360 dt: 25/03/2019.

(BY ORDER AND IN THE NAME OF TRANSMISSION CORPORATION OF TELANGANA LIMITED)

C.SRINIVASA RAO
JOINT MANAGING DIRECTOR
(Finance, Comml., & HRD)

To
The Pay Officer,
TSTRANSCO, Vidyut Soudha, Hyderabad.

M/s Global Risk Consultants,
205-206, Sai Chamber, Santacruz(East),
Mumbai 400055

Copy to:
The P.A to ED(Finance)/TSTRANSCO/VS/Hyd
The FA&CCA(A/cs)&CFO/TSTRANSCO/VS/Hyd.
The CGM(HRD)/OSD/TSTRANSCO/VS/Hyd
The Joint Secretary/TSTRANSCO/VS/Hyd.

//Forwarded by Order//

Senior Accounts Officer (Trusts)