

TRANSMISSION CORPORATION OF TELANGANA LIMITED

TSTRANSCO - Actuarial Valuation of terminal benefits for Pension, Gratuity and Earned Leave Encashment in respect of the employees and Pensioners/family pensioners of TSTRANSCO for F.Y. 2019-20 - Orders - Issued.

T.O.O. ED (Finance) Rt. No.2213

Dt:10/02/2021

Ref:-1)Quote from M/s Kapadia, Actuaries & Consultants, Mumbai dt: 29/10/2020.

2)Lr.No.ED(Fin)/Dy.CCA(T&PO)/SAO(T,F&P)/AO(T)/D.No.1309/20 dt:09/11/2020.

3)Actuarial valuation reports dt:22-01-2021& Invoices No.FY2021-2729 dt:22.01.2021.

The TSTRANSCO assigned the work of Actuarial Valuation for FY 2019-20 for arriving the liability towards Pension, Gratuity and EL Encashment payable to the employees, Pensioners and Family Pensioners from the respective Trusts to M/s Kapadia Actuaries & Consultants, Mumbai with the following terms and conditions.

2) Nature and scope of Actuarial Valuation: The Actuarial Valuation for TSTRANSCO Pension & Gratuity Trust, TSTRANSCO Gratuity Trust and TSTRANSCO EL Encashment trust shall be in accordance with Accounting Standard IND AS-19 issued by the ICAI.

3) The details of employees, pensioners and family pensioners are shown below:

S.No	Liability	No. of employees(approx)
1)	Pension liability for Active Employees (who were on rolls as on 31/01/1999)	803
2)	Pension Liability for pensioners and Family Pensioners (who retired after 31/01/1999)	1728
3)	Pension Liability for Pensioners and Family pensioners (Who retired on or before 31/01/1999)	930
4)	Gratuity Liability for Active employees who were on rolls as on 31/01/1999.	803
5)	Gratuity Liability for Active employees (who were appointed on or after 01/02/1999)	1367
6)	Earned Leave encashment liability for All employees.	2170

4) i) TSTRANSCO Pension & Gratuity Trust:

The employees, Pensioners & Family Pensioners of TSTRANSCO who were on rolls on 31st January 1999, are eligible for the pensionary benefits under AP RPR 1980/APSEB Pension rules. As per the Actuarial valuation reports, 26% of liability should be borne by TSTRANSCO Pension & Gratuity Trust and 74% share should be borne by TSGENCO Master Pension & Gratuity Trust. The maximum Gratuity ceiling limit presently being paid by TSTRANSCO is Rs.12 lakhs to the employees as on 31.03.2020.

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ii) TSTRANSCO Gratuity Trust:

Gratuity liability in respect of employees of TSTRANSCO who joined on or after 1st February 1999 and continuing in the service as on the date of valuation is as per Gratuity Act. These employees are covered under EPF & MP Act provisions. 100% liability should be borne by TSTRANSCO Gratuity Trust. The maximum ceiling limit presently being paid by TSTRANSCO is Rs.12 lakhs to the employees as on 31.03.2020.

iii) TSTRANSCO Earned Leave Encashment Trust:

Earned Leave encashment liability for all the employees who were on roll as on valuation date i.e. on 31/03/2020 shall be borne by this trust.

5) The following assumptions have been considered for Actuarial Valuation:

TSTransco Pension & Gratuity Trust:

S.No.	Particulars	1 st Assignment Assumptions for 2019-20	2 nd Assignment Assumptions for 2018-19
i)	Salary growth	: 5 %, 7% and 9%	5%, 7% and 9%
ii)	Pension Increase rate	: 5.27%	Same Assumptions as 2019-20
iii)	Commutation	: 40% of pension at retirement.	=
iv)	Restoration of Pension	: 15 years after retirement from the date of payment	=
v)	Discount rate	: 6.80%	=
vi)	Withdrawal rate	: 0.5% for all age groups	=

TSTransco Gratuity Trust:

i)	Salary growth	: 5 %, 7% and 9%	5 %, 7% and 9%
ii)	Discount rate	: 6.80%	6.80%

TSTransco EL encashment Trust:

i)	Salary growth	: 5 %, 7% and 9%	5 %, 7% and 9%
ii)	Discount rate	: 6.80%	6.80%

(Valuation Based on the individual employees data furnished (Max ceiling 300 days).

6) **Requirements:** Statement of accrued liability, total service liability may be shown separately for each trust.

7) **Fee payable:** The fee payable for the assignment is as follows:

Particulars as per invoice No. FY2020/2865	Fee (INR)
Pension & Gratuity Trust	47,500.00
Gratuity Trust	30,000.00
Leave encashment Trust	22,500.00
Valuation with different scenarios	50,000.00
	1,50,000.00
GST @18%	27,000.00
Total	1,77,000.00

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8) **Professional Fee:** The total professional fee payable for the assignments is Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) + GST @ 18%.

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

10) M/s Kapadia Actuaries & Consultants, Mumbai have furnished the Actuarial Valuation Reports with disclosures as per Ind AS-19.

11) The Pay Officer, TSTRANSCO is hereby authorized to release the payment of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) + GST @18% towards professional fee for the assignments to M/s Kapadia Actuaries & Consultants, Mumbai on the claim preferred by Senior Accounts officer(Trusts,F&P)/TSTRANSCO/Vidyut Soudha /Hyderabad.

12) The expenditure is chargeable to A/c No.760110

13) This order is issued with the concurrence of JMD(Fin,Comml&HRD) vide Regd.No.245, dt: 19/01/2021.

(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 Kapadia Actuaries&Consultants.
1205, Gold Crest Business Center, Opp.Manubai jewellers, LT.Road,Borivali West, Mumbai-400092.

Copy to:
The FA&CCA(A/cs)&CFO/TSTRANSCO/VS/Hyd.