

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. 2017-18 - Orders – Issued.

T.O.O.ED (Finance) Rt. No.809

Dt:26/04/2019

- Ref:- 1) Lr.No.ED(Fin)/Dy.CCA(T&PO)/SAO(T,F&P)/AO(T)/D.No.21/19, dt:18.01.19.
2) Quote from K. Subrahmanyam, Actuary, Hyderabad dt: 07/01/2019.
3) Actuarial valuation reports dt:13-03-2019 & Invoice No.103, dt:01.04.19 received on 04.04.19.

TSTRANSCO assigned the work of Actuarial Valuation for Pension, Gratuity and Earned Leave Encashment in respect of its employees and pensioners/family pensioners for FY 2017-18 to Sri K.Subrahmanyam, Actuary, Hyderabad with the following requirements:

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.

i) TSTRANSCO Pension & Gratuity Trust:

S.No	Liability	No of employees (approx)
1)	Pension liability for Active Employees (who were on rolls as on 31/01/1999)	965
2)	Pension Liability for pensioners [who were retired after 31/01/1999)	1245
3)	Pension Liability for family pensioners after 31/01/1999	460
4)	Gratuity Liability for Active employees who were on rolls as on 31/01/1999, (Max limit Rs. 12 lakh).	965
5)	Gratuity Liability for Active employees (who were appointed on or after 01/02/1999)	1010
6)	Earned Leave encashment liability for All employees.	1975

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 not members of the pension scheme (100% by TSTRANSCO Gratuity Trust). The maximum ceiling limit presently being paid by TSTRANSCO is Rs.10 lakhs to the employees as on 31.03.2018.

Contd on pg 2

iii) TSTRANSCO Earned Leave Encashment Trust:

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

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

- i) Salary growth : 9%
- ii) Pension Increase rate : 5.27%
- iii) Commutation : 40% of pension at retirement.
- iv) Restoration of Pension : 15 years after retirement.
- v) Discount rate : Based on Prevailing Market Rate.
- vi) Withdrawal rate : 0.5% for all age groups.
- vii) EL encashment : Based on the individual employees data furnished.
(Max ceiling 300 days).

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

v) **Professional Fees (Revised)**

The total professional fees payable for the scope outlined above will be a consolidated amount of INR 75,000 (Rupees Seventy Five Thousand only) + GST @ 18%.

vi) **Fee payable:** The fee payable is as follows:

	Fees (INR)
Pension & Gratuity Trust	50,000
Gratuity Trust	15,000
Leave encashment Trust	10,000
	75,000+GST@18% =Rs.88,500/-

vii) **Schedule of completion of actuarial valuation:** The Actuarial Valuation shall be completed within 10 days from the date of furnishing the data.

- 3) K.Subrahmanyam, Actuary, Hyderabad has furnished the Actuarial Valuation Report on 13/03/2019.
- 4) The Pay Officer, TSTRANSCO is hereby authorized to release the payment of Rs.88,500/- (Rupees Eighty eight thousand and five hundred only) including GST towards Actuarial fees to K.Subrahmanyam, Actuary, Hyderabad by way of cheque based on the claim preferred by Senior Accounts officer (Trusts,F&P)/TSTRANSCO/Vidyut Soudha /Hyderabad.

- 5) The expenditure is chargeable to A/c No.76.123
- 6) This order is issued with the concurrence of JMD(Fin,Comml&HRD) vide Regd.No.1857, dt: 25/04/2019.

(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.

Sri.K.Subrahmanyam, Actuary
Kaveri, Divyashakti House,
Navodaya Colony, Yellareddyguda,
Hyderabad – 500 073.

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

