

Ref.: VDO/P&GS/GGCA/714000251/17
To
The Trustees
G E B Employees Group Gratuity Trust
"Sardar Patel Vidyut Bhavan"
Race Course
VADODARA - 390 007

Dt. 21.07.2020

Dear Sir,

Ref.: Group Grauity Scheme, M.P. No. GGCA - 714000251

Please find enclosed the disclosure details as per 'IndAS 19 : Employee Benefits' as on 31st March, 2020 for UGVCL.

Risk Exposure

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The Present value of the Defined benefit obligation is calculated using the discount rate determined by LIC of India as the fund is being managed under Gratuity Assurance Plan
Interest risk	A decrease in the interest rate will increase the plan liability while increase in interest rate will decrease the plan liability
Salary risk	The present value of obligation is calculated by reference to future salary.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Assumptions (Current Period)	
	For the year ended 31st March 2020
Expected Return on Plan Assets	7.50%
Rate of Discounting	7.25%
Rate of Salary Increase	10.00%
Rate of Employee Turnover	1 to 3 % Depending on Age
Mortality Rate During Employment	LIC (2006-08) ultimate
Mortality Rate After Employment	N.A.

(Amt. in Rs.)

Particulars	As on 31.03.2020
I) Reconciliation in present value of obligations (PVO) - defined benefit obligation:	
Opening defined benefit obligation	3005276762
Current Service Cost	205103174
Past service cost, including losses/(gains) on curtailments	0
Interest Cost	217882565
Remeasurement (gains)/losses:	
Actuarial gains and losses arising from changes in financial assumptions	0
Actuarial gains and losses arising from experience adjustments	573523782
Benefits paid	363762672
Closing defined benefit obligation	3638023611

Particulars	As on 31.03.2020
Current obligation	360155257
Non-Current obligation	3277868354
II) Change in fair value of assets:	
Opening fair value of plan assets	2702794119
Expected return on plan assets	202709559
Remeasurement gain (loss):	
Actual Gain /Loss	0
Excess Return on plan assets (excluding amounts included in net interest expense)	43947971
Contributions by the employer	1185605236
Benefits paid	363762672
Closing fair value of plan assets	3771294214
III) Reconciliation of Present value of obligation and fair value of assets:	
Present value of funded defined benefit obligation	3638023611
Fair Value of plan assets at end of year	3771294214
Funded status	Funded
Net liability arising from defined benefit obligation	-133270603
IV) Service Cost	
Current Service cost	205103174
Past service cost and (gain)/loss from settlements	0
Net Interest expense	14417972
Total Expenses to be recognised in P&L A/c	219521146
Components of defined benefit costs recognised in Employee Benefit expenses	
Remeasurement on the net defined benefit liability:	
Actuarial (gains) / losses arising from experience adjustments	573523782
Actuarial (gains) / losses arising from changes in financial assumptions	0
Return on Plan Assets excluding amount included in net interest cost	-43947971
Total Expenses to be recognised in OCI	529575811
Total Expense (Provision for the Period)	749096957
V) Category of assets as at 31 st March:	
-Life Insurance Corporation	3771294214
Total	3771294214
Experience Adjustment	On Plan Liabilities -
	Loss/(Gain)
As on 31st March,2020	573523782
As on 31st March,2019	318579467

Particulars	As on 31.03.2020
Maturity Analysis of Projected Benefit Obligation are as under:	
Particulars	As at 31st March, 2020
Less than 1 year	360155257
One to Three Years	506805717
Three to Five Years	418473734
More than Five Years	2352588903
TOTAL	3638023611
Sensitivity analysis	
Significant actuarial assumptions	As at 31st March, 2020
Discount Rate	
- Impact due to increase of 50 basis points	-178391261
- Impact due to decrease of 50 basis points	195856749
Salary increase	
- Impact due to increase of 50 basis points	191284109
- Impact due to decrease of 50 basis points	-176114546

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

Thanking you,

Yours faithfully


Divisional Manager (P&GS)

