



Ref.: VDO/P&GS/GGCA/714000251/4

Dt. 13.07.2018

*A. O. (A/c) prepare Note of Gratuity & interest in Annual Acctg - 17/18 under Note - Empl. Cont*  
*11/18*

To  
 The Trustees  
 G E B Employees Group Gratuity Trust  
 "Sardar Patel Vidyut Bhavan"  
 Race Course  
 VADODARA - 390 007

Dear Sir,

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

Please find enclosed the disclosure details as per 'IndAS 19 : Employee Benefits' as on 31st March, 2018 for DGVCL.

**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
	2018
Expected Return on Plan Assets	8.00%
Rate of Discounting	7.50%
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.

Particulars	As on 31.03.2018
1) Reconciliation in present value of obligations (PVO) - defined benefit obligation:	
Opening defined benefit obligation	1452535282





भारतीय जीवन बीमा निगम  
LIFE INSURANCE CORPORATION OF INDIA

Current Service Cost	75775389
Past service cost, including losses/(gains) on curtailments	24455754
Interest Cost	116202823
<b>Remeasurement (gains)/losses:</b>	
Actuarial gains and losses arising from changes in financial assumptions	0
Actuarial gains and losses arising from experience adjustments	475076264
Benefits paid	179995218
<b>Closing defined benefit obligation</b>	<b>1964050294</b>
Current obligation	197547046
Non-Current obligation	1766503248
<b>II) Change in fair value of assets:</b>	
Opening fair value of plan assets	995288367
Expected return on plan assets	79623069
<b>Remeasurement gain (loss):</b>	
Actual Gain /Loss	
Excess Return on plan assets (excluding amounts included in net interest expense)	23090430
Contributions by the employer	976044693
Benefits paid	179995218
<b>Closing fair value of plan assets</b>	<b>1894051341</b>
<b>III) Reconciliation of Present value of obligation and fair value of assets:</b>	
Present value of funded defined benefit obligation	1964050294
Fair Value of plan assets at end of year	1894051341
Funded status	Funded

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