

ACTUARIAL REPORT UNDER (AS)15 (Revised 2005) FOR GRATUITY PLAN VALUATION AS ON 31 March 2024

NAME OF THE PLAN : BLR Lounge Services Private Limited Employees' Gratuity Scheme

Name and address of the Enterprise : BLR Lounge Services Private Limited
1, Rashid Mansion,
Dr. Annie Besant Road,
Worli Point, Mumbai - 400 018,

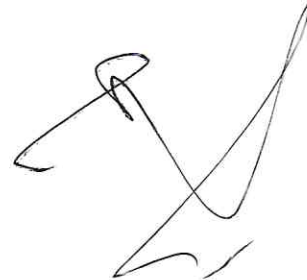
- 1 I have been requested by M/S BLR Lounge Services Private Limited to calculate the accounting expenses associated with the above scheme for the period from 01 Apr 2023 to 31 Mar 2024 in terms of Accounting Standard (AS)15 (Revised 2005) as prescribed under The Companies (Accounting Standard) Rules, 2014.
- 2 The results set out in this Report and its annexures are based on requirements of (AS)15 (Revised 2005) and its application to the Plan.
They have been prepared for the specific requirements of (AS)15 (Revised 2005) and should not be used for any other purpose.
In particular this Report does not constitute a formal funding actuarial valuation of the Plan and does not present any recommendation of contributions or funding levels.
- 3 **METHODOLOGY AND ASSUMPTIONS**

I have used the Projected unit Credit Method as stipulated in AS15 to determine the Plan Liability as on the valuation date.

The assumptions used in compiling this Report are consistent with the requirements of (AS)15 (Revised 2005).

The key assumptions used in the calculations are in accordance with the best estimates of the Private Ltd as on the valuation date and discussed with the BLR Lounge Services Private Limited, and are found to be appropriate. The assumptions are given in the Annexure 'A' attached hereto.

The discount rate are based on the benchmark yields available on Government Bonds at the valuation date with terms matching that of the liabilities and the salary increase rates take into account inflation, seniority, promotion and other relevant factors.



- 4 The calculations have been based on the membership information for the Plan as at 31 Mar 2023 and 31 Mar 2024 as supplied by the Private Ltd. A summary of the data is given below.

Summary of Membership Data

As at	31-Mar-23	31-Mar-24
Number of employees	722	585
Total Monthly Salary (Rs.)	1,25,63,021	1,15,65,637
Average Past Service	1.29	2.05
Average age	27.90	29.57

The GRATUITY Scheme is not funded but as per information given to me the appropriate liability as required under (AS)15 (Revised 2005) is being provided in the balance sheet. I have also been provided with information relating to the benefits paid out during the period from 01 Apr 2023 to 31 Mar 2024

In preparing this Report I have relied on the completeness and accuracy of the information provided to me orally and in writing by or on behalf of the Private Ltd and its advisers. I have not completed any detailed validation checks on the information provided. I have, however, carried out broad consistency checks.

- 5 Principal Plan Provisions as at 31 Mar 2024

I give below a summary of my understanding of the principal rules of the Plan as at 31 Mar 2024.

Normal Retirement Age	:	60 Years
Salary for calculation of Gratuity	:	Last drawn eligible monthly salary as per data
Vesting Period	:	5 years of service
	:	
Benefit on normal retirement	:	As per the provisions of The Payment of Gratuity Act, 1972 With Limit of 20 Lacs
Benefit on early retirement /resignation	:	Same as normal retirement benefit.
Benefit on death in service	:	Same as normal retirement benefit except that no vesting conditions apply



6 Valuation Results

The full results of my calculations are set out in Disclosure Table in the Annexure 'A' to this Report.

7 The glossary given in Annexure 'B' gives definitions of various terms used in this report

I would be pleased to discuss this Report with you.

Mumbai
Date 15-Apr-24



(G. N. Agarwal)
M.A., B.Sc., FIAI
CONSULTING ACTUARY

BLR Lounge Services Private Limited Accounting Disclosures Statement		GRATUITY	
Period of accounting		1-Apr-23	to 31-Mar-24
		<i>(all figures in Indian Rupees)</i>	
I	<u>Assumptions as at</u>	31-Mar-23	31-Mar-24
	Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
	Interest / Discount Rate	7.10%	6.88%
	Rate of increase in compensation	8.00%	8.00%
	Rate of return (expected) on plan assets		
	Employee Attrition Rate(<i>Past Service (PS)</i>)		
	RL 1- 4	PS: 0 to 42 : 28%	PS: 0 to 42 : 40%
	RL 5 & Below	PS: 0 to 42 : 49%	PS: 0 to 42 : 70%
	Expected average remaining service	1.06	0.46
II	<u>Changes in present value of obligations</u>		
	PVO at beginning of period	33,95,631	29,45,758
	Interest cost	1,85,755	1,94,274
	Current Service Cost	40,52,319	43,29,182
	Past Service Cost- (non vested benefits)	-	-
	Past Service Cost -(vested benefits)	-	-
	Benefits Paid	(1,99,868)	(63,213)
	Transfer in Liability	1,40,570	79,250
	Transfer out Liability	(45,863)	(3,44,393)
	Benefits Paid By The Company	-	-
	Actuarial (Gain)/Loss on obligation	(45,82,786)	(26,09,883)
	PVO at end of period	29,45,758	45,30,975
III	<u>Changes in fair value of plan assets</u>		
	Fair Value of Plan Assets at beginning of period	-	-
	Adjustment to opening balance	-	-
	Expected Return on Plan Assets	-	-
	Contributions	1,99,868	63,213
	Benefit Paid	(1,99,868)	(63,213)
	Transfer in Fund	-	-
	Transfer out Fund	-	-
	Actuarial Gain/(Loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
IV	<u>Fair Value of Plan Assets</u>		
	Fair Value of Plan Assets at beginning of period	-	-
	Adjustment to opening balance	-	-
	Actual Return on Plan Assets	-	-
	Contributions	1,99,868	63,213
	Benefit Paid	(1,99,868)	(63,213)
	Transfer in Fund	-	-
	Transfer out Fund	-	-
	Fair Value of Plan Assets at end of period	-	-
	Funded Status (<i>including unrecognised past service cost</i>)	(29,45,758)	(45,30,975)
	Excess of actual over estimated return on Plan Assets	-	-
V	<u>Experience History</u>	31-Mar-23	31-Mar-24
	(Gain)/Loss on obligation due to change in Assumption	(49,51,376)	13,857
	Experience (Gain)/ Loss on obligation	3,68,590	(26,23,740)
	Actuarial Gain/(Loss) on plan assets	-	-
VI	<u>Actuarial Gain/(Loss) Recognized</u>		
	Actuarial Gain/(Loss) for the period (Obligation)	45,82,786	26,09,883
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	45,82,786	26,09,883
	Actuarial Gain/(Loss) recognized for the period	45,82,786	26,09,883
	Unrecognized Actuarial Gain/(Loss) at end of period	-	-

BLR Lounge Services Private Limited
Accounting Disclosures Statement
Period of accounting

GRATUITY
1-Apr-23 to 31-Mar-24

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VII Past Service Cost Recognised

Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised Past service Cost- non vested benefits	-	-
Recognised Past service Cost- vested benefits	-	-
Unrecognised Past Service Cost- non vested benefits	-	-

VIII Amounts to be recognized in the balance sheet and statement of profit & loss account

PVO at end of period	29,45,758	45,30,975
Fair Value of Plan Assets at end of period	-	-
Funded Status	(29,45,758)	(45,30,975)
Unrecognized Actuarial Gain/(Loss)	-	-
Unrecognised Past Service Cost- non vested benefits	-	-
Net Asset/(Liability) recognized in the balance sheet	(29,45,758)	(45,30,975)

IX Expense recognized in the statement of P & L A/C

Current Service Cost	40,52,319	43,29,182
Interest cost	1,85,755	1,94,274
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Unrecognised Past Service Cost- non vested benefits	-	-
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss recognized for the period	(45,82,786)	(26,09,883)
Expense recognized in the statement of P & L A/C	(3,44,712)	19,13,573

X Movements in the Liability recognized in Balance Sheet

Opening Net Liability	33,95,631	29,45,758
Adjustment to opening balance	-	-
Expenses as above	(3,44,712)	19,13,573
Transfer in Liability	1,40,570	79,250
Transfer in Fund	-	-
Transfer out Liability	(45,863)	(3,44,393)
Transfer out Fund	-	-
Benefits Paid By The Company	-	-
Contribution paid	(1,99,868)	(63,213)
Closing Net Liability	29,45,758	45,30,975

XI Schedule III of The Companies Act 2013

Current Liability	1,53,867	24,54,280
Non-Current Liability	27,91,891	20,76,695

XIII Projected Service Cost 31 Mar 2025

33,28,742

XIV Asset Information

	Total Amount	Target Allocation %
Cash and Cash Equivalents		
Gratuity Fund ()	-	0%
Debt Security - Government Bond		
Equity Securities - Corporate debt securities		
Other Insurance contracts		
Property		
Total Itemized Assets		0%

Mumbai
15-Apr-24



(G. N. Agarwal)
CONSULTING ACTUARY

XV Effects of changes in assumptions

Discount Rate

The discount rate has decreased from 7.10% to 6.88% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

Salary Escalation Rate

The salary escalation rate has remain unchanged and hence there is no change in liability resulting in no actuarial gain or loss due to change in salary escalation rate.

Mumbai
15-Apr-24



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GLOSSARY

All definitions of terms are as per (AS)15 (Revised 2005). The following terms are used with explanations given below:

Actuarial Gain or Loss	From one plan year to the next, if the experience of the plan differs from that anticipated using the actuarial assumptions, an actuarial gain or loss occurs. For example, an actuarial gain would occur if the plan assets earned 12% for the year while the assumed rate of return used in the valuation was 8%. Other causes of actuarial gains or losses would include changes in actuarial assumptions and / or demographic changes in the population profile.
Funded Status	This is the excess/(shortfall) of the fair value of plan assets over the Plan Liability.
Plan Liability (PVO)	This quantity is the discounted present value of all benefits attributed by the plan's benefit formula to service rendered prior to the measurement date. It is measured using an assumption as to future pay levels.
Service Cost	This is the discounted present value of benefits attributed by the plan's benefit formula to services rendered by employees during the accounting period. It is measured using an assumption as to future pay levels.
Interest Costs	The increase in the Plan liability over the accounting period due to interest (the time value of money)
Expected Return on Assets	The expected return on plan assets over the accounting period, based on an assumed rate of return.
Expenses Recognised in P & L A/C.	This is the profit and loss charge for the accounting period, and comprises the sum of the service and interest costs less the expected return on assets, adjusted for Actuarial Gain / loss recognised for the period
Projected Unit Credit Method (PUC)	Under the PUC method a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The "projected accrued benefit" is based on the Plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

ADDENDUM NOT FORMING PART OF THE REPORT

I have tried to explain following frequently raised queries:

Current and Non- Current Liability

Current and non-current liability in terms of "Schedule III of The Companies Act 2013: I have been frequently receiving request for matching total of current plus non current liability with closing net liability. In my opinion by creation of an asset the accounting entity is neither discharging the liability nor is absolved from the same and hence the total of current and non current liability has to be equal with the total PVO (Present value obligation) at the end of the period plus short term compensated liability if any.

Expected average remaining service Versus Average Remaining Future Service

I have been quized by most of the accounting entities regarding the above. The average remaining service can be arithematically arrived by deducting current age from normal retirement age whereas the expected average remaining service is arrived actuarially by applying multiple decrements to the average remaining future service namely mortality and withdrawals. Thus the expected average remaining service is always less than the average remaining future service.

