

Solutions to IAS 19

A-1

Statement of financial position

Present value of defined benefit liability	Rs. (m)	Rs. (m)
Fair value of plan assets		2,000
Surplus (Net asset)		<u>(2,950)</u>
		<u>(950)</u>

Statement of comprehensive income

Profit or loss account		
Current service cost	70	
Interest cost (Net) (230-295)	(65)	
Past service cost	25	
		30
Statement of comprehensive income		
Re-measurement gain (actuarial gain) (175-625)	(450)	<u>(450)</u>
Net effect in statement of comprehensive income		<u>(420)</u>

W-1 Present value of defined benefit liability

Opening balance	1500
Past service cost	25
Current service cost	70
Interest cost	230
Actuarial loss	<u>175</u>
Closing balance	<u>2,000</u>

W-2 fair value of plan asset

Opening balance	1970
Contribution during the year	60
Expected return	295
Actuarial gain	<u>625</u>
Closing balance	<u>2,950</u>

A-2

Statement of financial position

Present value of defined benefit liability	Rs. (m)	Rs. (m)
Fair value of plan assets		900
Deficit/Net liability		<u>(750)</u>
		<u>150</u>

Statement of comprehensive income

Profit or loss account		
Current service cost	25	
Interest cost (Net) (60-57)	3	
Statement of comprehensive income		28
Re-measurement gain (actuarial gain) (232-115)	117	<u>117</u>

Net effect in statement of comprehensive income	145
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W-1 Present value of defined benefit liability

Opening balance	600
Current service cost	25
Benefit paid	(17)
Interest cost	60
Actuarial loss	232
Closing balance	900

W-2 fair value of plan asset

Opening balance	570
Contribution during the year	25
Expected return	57
Benefit paid	(17)
Actuarial gain	115
Closing balance	750

A-3

Statement of financial position

	Rs. (m)	Rs. (m)
Present value of defined benefit liability		3,375
Fair value of plan assets		(3,162)
Deficit/net liability		213

Statement of comprehensive income

Profit or loss account		
Current service cost	40	
Interest cost (Net) (187.5-174)	13.5	
Past service cost	125	178.5

Statement of comprehensive income

Re-measurement gain (actuarial gain) (64.5-110)	(45.5)	(45.5)
Net effect in statement of comprehensive income		133

W-1 Present value of defined benefit liability

Opening balance	3,000
Past service cost	125
Benefits paid	(42)
Current service cost	40
Interest cost	187.5
Actuarial loss	64.5
Closing balance	3,375

W-2 fair value of plan asset

Opening balance	2,900
Contribution during the year	20
Benefits paid	(42)
Expected return	174

Actuarial gain	<u>110</u>
Closing balance (3,170-8)	<u><u>3,162</u></u>

A-4

Statement of financial position

	Rs. (m)	Rs. (m)
Present value of defined benefit liability		166
Fair value of plan assets		<u>(120)</u>
Deficit/net liability		<u><u>46</u></u>

Statement of comprehensive income

Profit or loss account		
Current service cost	15	
Interest cost (Net) (16-14)	2	17

Statement of comprehensive income		
Re-measurement gain (actuarial gain) ()		<u>27</u>
Net effect in statement of comprehensive income		<u><u>44</u></u>

W-1 Present value of defined benefit liability

Opening balance	133
Past service cost	
Benefits paid	(6)
Current service cost	15
Interest cost	16
Actuarial loss	8
Closing balance	<u><u>166</u></u>

W-2 fair value of plan asset

Opening balance	114
Contribution during the year (15+2)	17
Benefits paid	(6)
Expected return	14
Actuarial loss	<u>(19)</u>
Closing balance	<u><u>120</u></u>