Retirement Solutions

Annual Report of NPS Schemes

Managed by

UTI Retirement Solutions Limited

For the Financial Year 2020 – 21

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1. Introduction

The National Pension System (NPS) is a '**Government of India**' initiative with an objective of Development of a sustainable and efficient voluntary defined contribution Pension System in India. It is regulated by Pension Fund Regulatory & Development Authority (PFRDA). NPS provides a platform for savings to create a Retirement Corpus (Pension Wealth), to enable subscriber for purchasing Annuity post retirement.

NPS is applicable on a mandatory basis to all Central Government Employees (except Armed Forces) who have joined services with effect from 1st January, 2004. Various State Governments have also introduced NPS for their employees.

The scheme was made open to the general public w.e.f. May 2009. Indian citizens in the age group of 18 to 65 are eligible for the scheme. Initially, the contributions made by investors were invested in 3 asset classes: E (Equities), C (Corporate Bonds) and G (Govt. Securities). PFRDA introduced a new Asset Class in NPS Schemes i.e. "Asset Class – A" in addition to the existing asset classes 'E', 'C' and 'G' w.e.f. 7th October, 2016. The investment universe of this new Asset Class A consists of Commercial mortgage based securities or Residential mortgaged based securities, Units issued by Real Estate Investment Trusts regulated by the SEBI, Asset backed securities regulated by SEBI, Units of Infrastructure Investment Trusts regulated by SEBI and Alternative Investment Funds (AIF Category I & II) registered with SEBI.

Types of Schemes available under NPS

Types of Schemes available under NPS for the subscribers, can be divided into two Parts.

i) Schemes available for Government Sector Employees

ii) Schemes available for subscribers under Private Sector (All Citizens model)

Schemes available for Government Sector Employees with effect from 1st April, 2019

1. Default Choice

For Government Sector Employees, the default choice has an asset allocation pattern of up to 15% in Equity and the rest in Debt Securities. The detailed Asset allocation pattern for this default choice is as under:

Asset Class	Cap on Investment
Government Securities & Related Investments	Upto 55%
Debt Instruments & Related Investments	Upto 45%
Equity & Related investments	Upto 15%
Asset Backed, Trust Structured etc.	Upto 5%
Short Term Debt Instruments i.e. money market instruments	Upto 10%

This Asset Allocation Pattern is also applicable to Corporate CG Scheme, NPS Lite Scheme i.e. NPS Swavalamban Yojana and Atal Pension Yojana (APY)

In addition to the above, the Government Employees have been given two more choices of Investment Pattern w.e.f. 01st April, 2019 and they are:

2. 100% Government Securities Scheme (Scheme G) : Government Employees who prefer a fixed return with minimum amount of Risk are given an option to invest 100% of their funds in Government Securities i.e. Scheme G
3. Government Employees who prefer higher returns are given the option of choosing any one of the two Life Cycle based schemes i.e. Conservative Life Cycle Fund with maximum exposure of Equity capped at 25% (LC-25) OR Moderate Life Cycle Fund with maximum exposure of equity capped at 50% (LC 50).

Age	Moderate Life Cycle Fund (LC-50)			Conservative Life Cycle Fund (LC-25)		
	Asset Class (in %)			Asset Class (in %)		
	E	C	G	E	C	G
Up to 35 years	50	30	20	25	45	30
36 years	48	29	23	24	43	33
37 years	46	28	26	23	41	36
38 years	44	27	29	22	39	39

39 years	42	26	32	21	37	42
40 years	40	25	35	20	35	45
41 years	38	24	38	19	33	48
42 years	36	23	41	18	31	51
43 years	34	22	44	17	29	54
44 years	32	21	47	16	27	57
45 years	30	20	50	15	25	60
46 years	28	19	53	14	23	63
47 years	26	18	56	13	21	66
48 years	24	17	59	12	19	69
49 years	22	16	62	11	17	72
50 years	20	15	65	10	15	75
51 years	18	14	68	9	13	78
52 years	16	13	71	8	11	81
53 years	14	12	74	7	9	84
54 years	12	11	77	6	7	87
55 years and above	10	10	80	5	5	90

Further, the Central Government Employees NPS Subscribers have been given yet another choice from 17th August, 2020 and that is NPS Tier II Tax Savings Scheme (NPS-TTS) – Optional A/C with 80 C benefits.

This NPS-TTS is a composite scheme with the following investment limits:

Asset Class	Limits
Equity	10% - 25%
Debt	0% - 90%
Cash/Money Market/Liquid MFs	0% - 5%

This Scheme will have a lock in period of 3 years from the date of unitization of contributions by CRA.

Further details of the scheme may be accessed from the official website of Pension Fund Regulatory & Development Authority and NPS Trust i.e. www.pfrda.org.in and www.npstrust.org.in.

Schemes Available to Subscribers under Private Sector

Under Private Sector, the subscribers have two choices; **Active Choice** and **Auto Choice** The Active Choice offers flexibility to subscribers to decide the asset allocation between the 4 asset classes namely Equity (E), Corporate Bonds (C), Government Securities (G) and Alternate Assets (A). The subscribers can choose their asset allocation pattern subject to the

following limits under Active Choice. They also have the freedom to change their asset allocation pattern twice in a year.

Age (Years)	Cap on Equity (E)	Cap on Corp Bonds (C)	Cap on Govt Securities (G)	Cap on Alternate Assets (A)
Upto 50	75.0 %	100%	100%	5%
51	72.5 %	100%	100%	5%
52	70.0 %	100%	100%	5%
53	67.5 %	100%	100%	5%
54	65.0 %	100%	100%	5%
55	62.5 %	100%	100%	5%
56	60.0 %	100%	100%	5%
57	57.5 %	100%	100%	5%
58	55.0 %	100%	100%	5%
59	52.5 %	100%	100%	5%
60 and above	50.0 %	100%	100%	5%

The subscribers who do not want to choose their asset allocation pattern, can go for Auto Choice where they have choice of three Life Cycle Funds vis a vis Aggressive Life Cycle Fund (LC-75), Moderate Life Cycle Fund (LC-50) and Conservative Life Cycle Fund (LC-25). The asset allocation pattern under these Life Cycle Funds keeps on changing based on their age. The Asset allocation pattern under these Life Cycle Funds are as under:

Asset Allocation Pattern under Auto Choice

Age	**Aggressive Life Cycle Fund (LC-75)**			**Moderate Life Cycle Fund (LC-50)**			**Conservative Life Cycle Fund (LC-25)**		
	Asset Class (in %)			Asset Class (in %)			Asset Class (in %)		
	E	C	G	E	C	G	E	C	G
Up to 35 years	75	10	15	50	30	20	25	45	30
36 years	71	11	18	48	29	23	24	43	33
37 years	67	12	21	46	28	26	23	41	36
38 years	63	13	24	44	27	29	22	39	39
39 years	59	14	27	42	26	32	21	37	42
40 years	55	15	30	40	25	35	20	35	45
41 years	51	16	33	38	24	38	19	33	48
42 years	47	17	36	36	23	41	18	31	51
43 years	43	18	39	34	22	44	17	29	54

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44 years	39	19	42	32	21	47	16	27	57
45 years	35	20	45	30	20	50	15	25	60
46 years	32	20	48	28	19	53	14	23	63
47 years	29	20	51	26	18	56	13	21	66
48 years	26	20	54	24	17	59	12	19	69
49 years	23	20	57	22	16	62	11	17	72
50 years	20	20	60	20	15	65	10	15	75
51 years	19	18	63	18	14	68	9	13	78
52 years	18	16	66	16	13	71	8	11	81
53 years	17	14	69	14	12	74	7	9	84
54 years	16	12	72	12	11	77	6	7	87
55 years & above	15	10	75	10	10	80	5	5	90

Even under Auto Choice, if the subscriber does not make any choice between Life Cycle Funds then the asset allocation would be as per the Moderate Life Cycle Fund (LC-50).

Further details of the same may be accessed from the official website of Pension Fund Regulatory & Development Authority and NPS Trust i.e. www.pfrda.org.in and www.npstrust.org.in.

The funds are invested in accordance with PFRDA guidelines and the Investment Prudential Norms laid down by the Board of Directors of the company with the objective of optimizing returns.

2. Operation and future outlook

As on March 31, 2021 the company was managing following 13 schemes:

Sr. No.	Name of Scheme	AUM (₹ in Crore)	
		As on 31/03/2021	As on 31/03/2020
1.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I	871.56	370.04
2.	NPS Trust–A/C UTI Retirement Solutions Scheme E – Tier II	44.13	21.63
3.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I	449.94	299.42
4.	NPS Trust–A/C UTI Retirement Solutions Scheme C – Tier II	20.88	16.54
5.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I	805.78	479.04
6.	NPS Trust–A/C UTI Retirement Solutions Scheme G – Tier II	37.07	24.22
7.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I*	3.11	1.99
8.	NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme - Tax Saver- Tier II**	0.15	0.00
9.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Central Govt.	60,511.71	46,101.68
10.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – State Govt.	97,045.58	70,375.78
11.	NPS Trust – A/C UTI Retirement Solutions Ltd. – NPS Lite Scheme –Govt. Pattern	1,241.53	1,056.70
12.	NPS Trust – A/C UTI Retirement Solutions Scheme – Atal Pension Yojana	5,178.21	3,453.86
13.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme –Corporate CG	0.00	0.00
	Total	**1,66,209.65**	**1,22,200.90**

* The scheme started its operation w.e.f. 14th October, 2016
** The scheme started its operation w.e.f. 4th September, 2020

With the overall pension coverage in India at around 12% - 13% only, the future outlook of NPS Schemes seems to be very bright. With the additional Tax sops for an investment up to Rs.50,000.00 in NPS under Section 80CCD(1B) and with the tax free withdrawal of 60% of the Retirement Corpus post retirement, NPS has become more attractive and tax friendly for the investors.

As per the studies carried out by independent entities from time to time it has been reaffirmed that the Pension Market in India will grow to about ₹ 4064 billion by 2025.

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3. Market Outlook for FY 2021 – 22

(a) Equity Market

The world faced an unprecedented once-in-a-lifetime catastrophe in the form of the COVID-19 pandemic at the start of the year. The pandemic led to global economic downturn, the most severe one since the Global Financial Crisis. The lockdowns and social distancing norms brought the already slowing global economy to a standstill. Governments and central banks across the globe deployed various policy tools to support their economies such as lowering policy rates, quantitative easing measures, etc. during the entire FY21. Our country adopted a four-pillar strategy of containment, fiscal, financial, and long-term structural reforms to revive the economy from the loss caused due to the crisis. Our priority during the difficult months of the pandemic was to ensure business continuity along with ensuring health and well-being of our people.

Overall, most of the global equity markets ended the year on a very positive note on rising optimism on pace of vaccination, US Fed announcement to continue with low interest rate regime, fiscal stimulus and broad based firming up in macro data suggesting demand recovery due to re-opening in major economies. Strong inflows from the foreign institutional investors (FIIs) (Rs.2.01trn) during the year further boosted the domestic sentiment leading to 71 percent gain in Nifty 50 Index on 1 year basis. Majority of the sectoral Indices outperformed the Nifty 50 Index except FMCG (25 percent) and Oil & Gas (48 percent). The broader markets Nifty Midcap 100 and Smallcap 100 indices did even better, rising 102 percent and 125 percent, respectively. The best performing sectors were Metals (151 percent), Technology (107 percent), Automobiles (107 percent), Capital Goods (92 percent) & healthcare (75 percent).

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On the economy front, after two consecutive quarters of decline (Q1 and Q2 of FY21), GDP and GVA growth returned to the positive territory at 0.4 percent and 1 percent respectively in Q3FY21. The growth momentum was led by construction, manufacturing and financial services and real estate. Global rating agency Moody's expected that India's economy will shrink by 7 percent in FY21 and revised India's growth estimate for the next financial year 2021-22 to 13.7 percent from 10.08 percent earlier.

Market Outlook

In our economy a V-shaped recovery is underway, as demonstrated by a sustained resurgence in high frequency indicators such as Electricity demand, e-way bills, GST collection, Steel consumption, etc. The pace of vaccination may also set a stage for faster recovery in the discretionary segment of the economy.

Nifty 50 earnings are estimated to grow at 21.5 percent CAGR for next two years on base of FY21e (Bloomberg estimates). Given the resurgence of virus and resultant weakness, the economy may face some slowdown in near term. However, with high pace of vaccination, continued accommodative stance adopted by Central bankers across the globe and in India, we may continue to see positive surprises. The Nifty 50 Index is trading at a significant premium to its 10 year average post the sharp run up in last 1 year. Our focus is on stock selection – the sectors/stocks which are supported by earnings growth, have strong balance sheet/cash flows and which demonstrated these attributes in the current crisis. Being a long term investor, we believe valuations with a long term perspective continue to remain attractive albeit with some consolidation (time correction).

Though FY21 was a watershed year for all of us, it also showed how collaboration and sharper strategies can work effectively to deal with a crisis situation. While FY21 tested our capabilities and endurance, FY22 is setting the stage for a new era of growth and sustainability. The key global risks of

rising inflation and interest rates coupled with high near term valuations may increase volatility in the markets going forward.

(b) Fixed Income Market Outlook:

The outbreak of coronavirus has had a severe impact on markets this year with high volatility, risk aversion which has lead to illiquidity and redemption in bond markets. Most sectors have seen an impact on growth with the services sectors like aviation, hospitality etc being the most impacted. The lockdown had its impact on services sectors on lower discretionary spending and as a corollary there has been impact on finance, real estate and other related sectors as well, all of which would impact growth significantly. However, July onwards the economy started to partially unlock and activity picked up on back of postponed consumption demand although growth concerns remained due to low fiscal stimulus announced till then, consumers turning forced savers, financial stress in select pockets etc weighing on the economy. Growth estimates for the year are negative but economic activity rebounded over the third quarter from previous deep contractions on easy liquidity, global recovery and likely vaccine with RBI revising its growth expectations for FY21 to -7.5 percent from previous -9.5 percent y-o y and consensus seems to be building for better economic performance in FY 22 as well, while fears of impact of second wave remain.

On the inflation front CPI inflation continued to rise during this year, rising sharply to 7.3 percent in September vs 6.7 percent in July, reflecting a resurgence of both food and core inflationary pressures on back of supply-chain disruptions, higher taxes on fuel and rising global commodity prices. RBI expected the present high inflation to be transient and to moderate as supply chains are restored going forward. The higher inflation reading marked the third consecutive quarter of inflation breaching RBI's upper threshold but expectations are of inflation moderating over next few quarters on back of good harvests, normal monsoons, base effects etc. While RBI kept

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rates unchanged during these months of rising inflation, it has maintained that its stance remains accommodative, supporting the recovery of the economy assumes primacy and will be followed as long as required, confirming that going forward there would be space for monetary easing albeit to be used judiciously. During this year RBI continued to be quite dovish and has guided for the accommodative stance to continue into next year as well. It announced a number of measures like higher OMO, OMO in SDL's etc and guided to keep the liquidity comfortable. The MPC also voted unanimously for the continuation of the accommodative stance to revive growth on a durable basis.

India so far had managed to keep new Covid infections under control with activity picking up significantly and seemed to be on path of recovery with expectations of improvement in growth as consumption comes back. Further, the start of the vaccination process should benefit the economy and growth. However, concerns of a second wave remain. Also, with the Budget in February 21 announcing higher government expenditure, new support packages with increased tax revenue and higher borrowing numbers, sentiment turned negative in debt markets. Concerns also remain in regard to full impact of Covid19 on economic activity and consequent slowdown, impact of the same on various sectors leading to higher NPA's, higher fiscal deficit etc.

While the RBI Policy has been very dovish for most part of the year, going forward with confidence returning on growth recovery, rising inflation and commodity prices may lead to a slow exit from the accommodative stance with limited scope of rate cuts and gradual withdrawal of liquidity. So far RBI has remained focused on managing yields assuring borrowing will be completed in a non disruptive manner. The 10 year G Sec ended the year around 6.2 percent. Over the next few months however the higher borrowing program of the government and RBI 's strategy to manage the same will be watched closely to see the impact on yields.

Strategy

During the year volumes in debt markets particularly on the longer end remained relatively low disrupted by lockdowns, work from home, uncertainly over future, concerns on higher stressed assets etc. Markets continued to expect RBI and government to remain supportive of markets with expectations of further policy easing, consequent lower Repo rates and prolonged periods of surplus domestic liquidity. The accommodative stance adopted by Central bankers across the globe was also expected to be supportive of markets once more clarity emerges on full impact of Covid. We had remained cautious in March 20 but going forward our long term strategy continued to be to add duration at current levels while remaining watchful of data points. Also rising yields and higher credit spreads on back of higher fiscal spending, higher government borrowings etc provide a good investment opportunity for long funds. The Funds investment philosophy continues to remain conservative with focus on high credit and risk parameters with no fresh exposure below AA+.

We remain cautious with a long term strategy to continue to add weights at higher yields on volatility while remaining watchful of data points. In the medium to longer term we believe India is well positioned globally as an investment destination on back of reforms undertaken over last few years.

4. Liabilities and responsibilities of Pension Fund Manager (PF)

Liabilities and responsibilities have been incorporated in the Investment Management Agreement (IMA) entered into by UTI Retirement Solutions Limited with NPS Trust, which *inter-alia* includes:

a. The PF shall assume day to day investment management of the Schemes and, in that capacity, make investment decisions and manage the Scheme in accordance with this agreement, the Investment Guidelines, Scheme Objectives, the Deed of Trust and

provisions of the PFRDA, rules/ guidelines/ directions/ notifications/ circulars/ regulations and law in force from time to time. The PF shall act as the Investment Manager of the Schemes with respect to the investment and reinvestment of the investible funds including cash, securities and other properties comprising the assets of each scheme organized under the PF with full discretionary authority in accordance with the investment policies set forth in the Deed of Trust and by the PFRDA guidelines/directions from time to time. The transactions entered into by the PF shall be in accordance with the PFRDA Guidelines including the Guidelines for Registration, the Trust Deed and the Code of Ethics prescribed by the NPS Trust.

b. PF shall have regard to the investment guidelines set out in Schedule II when investing and managing the funds. However, nothing contained herein shall amount to the PF having assured any minimum rate of return on the investment.

c. The PF shall maintain books and records and comply with the disclosure requirements specified by PFRDA/NPS Trust from time to time.

d. The PF shall exercise all due diligence, prudence, promptness and vigilance in carrying out its duties and in protecting the rights and interests of the subscribers. The PF shall avoid all nature of speculative transactions/dealing in investments. Investment decisions should be taken by the PF with emphasis on safety and optimum returns.

e. The PF shall not give any undue or unfair advantage to any associates or deal with any of the associates of the Pension Fund in any manner detrimental to interest of the Subscribers.

f. The PF shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the PF and shall be liable to compensate for such acts of commissions or omissions.

5. Investment Objectives of NPS Schemes

The investment objective of the scheme is primarily to provide optimum returns through growth in the NAV. The Fund invests in accordance with PFRDA Investment Guidelines and Internal Investment norms laid down by the Board of Directors. The Fund follows a conservative style of management offering stable returns with low volatility and more weightage to higher rated and longer duration investment options. The investment objectives of NPS Schemes are as under:

Sr. No.	Name of Scheme	Investment Objective
1.	Scheme E – Tier I	To optimize returns through investments in:- a) Shares of companies which are listed in BSE or NSE which have market capitalization of not less than Rs.5000 crores as on the date of investment and on which derivatives are available; b) Units of Mutual funds regulated by the SEBI, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE; c) ETFs / Index Funds regulated by the SEBI that replicate the portfolio of either BSE Index of NSE Nifty 50 Index; d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporate; and Exchange traded derivatives regulated by SEBI.
2.	Scheme E – Tier II	
3.	Scheme C – Tier I	To optimize returns through investments in: - a) Listed (or proposed to be listed) debt securities issued by bodies corporate, including banks and public financial institutions, which have a minimum residual maturity period of three years from the date of investment;
4.	Scheme C – Tier II	

		b) Basel III Tier – 1 Bonds issued by scheduled commercial banks under RBI Guidelines; c) Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank; and d) Term deposit Receipts of not less than one year duration issued by scheduled commercial banks.
5.	Scheme G – Tier I	To optimize returns through investments in: - a) Government Securities; b) Other Securities the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government; and c) Units of mutual funds set up as dedicated funds for investment in Government securities and regulated by the SEBI.
6.	Scheme G – Tier II	
7.	Scheme A – Tier I	To optimize returns through investments in: - a. Commercial mortgage based securities or Residential mortgaged based securities b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India c. Asset backed securities regulated by the Securities and Exchange Board of India d. Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India e. Alternative Investment Funds (AIF Category I & II) registered with Securities and Exchange Board of India.

<table>
<tr><td>8.</td><td>Scheme NPS – Tier II- Tax Saving Scheme- Optional A/c with 80 C benefits</td><td>
<table>
<tr><th>Asset Class</th><th>Limit</th></tr>
<tr><td>Equity#</td><td>10 -25%</td></tr>
<tr><td>Debt##</td><td>0 – 90%</td></tr>
<tr><td>Cash/Money Market/Liquid MFs</td><td>0 – 5%</td></tr>
<tr><td colspan="2">This Scheme will have a lock in period of 3 years from the date of unitization of contributions by CRA.

This Scheme is open to any Central Government NPS Subscriber only.

Investment Guidelines as applicable for E – II

Investment Guidelines as applicable for C-II and G-II</td></tr>
</table>
</td></tr>
<tr><td>9.</td><td>Scheme Central Govt.</td><td rowspan="5">To optimize returns by investing in the instruments as per the following prescribed limits:
<table>
<tr><th>Instrument</th><th>Limit</th></tr>
<tr><td>Govt. Securities</td><td>Upto 55%</td></tr>
<tr><td>Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.</td><td>Upto 45%</td></tr>
<tr><td>Short Term Debt Instruments and related investments</td><td>Upto 10%</td></tr>
<tr><td>Equity and related investments</td><td>Upto 15%</td></tr>
<tr><td>Asset Backed, Trust Structured and Miscellaneous Investments</td><td>Upto 5%</td></tr>
</table>
</td></tr>
<tr><td>10.</td><td>Scheme State Govt.</td></tr>
<tr><td>11.</td><td>NPS Lite Scheme – Govt. Pattern</td></tr>
<tr><td>12.</td><td>Scheme Corporate CG</td></tr>
<tr><td>13.</td><td>Scheme Atal Pension Yojana</td></tr>
</table>

6. Basis and Policy of Investment

The Pension Fund expects to earn steady returns and capital appreciation with low risk, over a long term horizon while investing as per the Investment Guidelines of PFRDA and the Prudential Norms laid down by the Board of Directors of UTI Retirement Solutions Limited. The fund looks for opportunities to maximize returns while focusing on high credit quality, risk parameters.

The Schemes focus on high credit quality and does not make any investment below AA. The credit profile of debt component of schemes as on March 31, 2021 is as under:

Rating	Central Govt. Scheme	State Govt. Scheme	Scheme C Tier I	Scheme C Tier II	NPS Lite Scheme	Scheme APY
AAA/equivalent /A1+for CP/CD	96.97%	97.90%	98.69%	97.57%	96.22%	99.65%
AA+	0.93%	0.40%	0.53%	1.01%	0.60%	0.00%
AA	1.90%	1.48%	0.56%	1.42%	3.18%	0.22%
AA-	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%
Below AA-	0.20%	0.17%	0.22%	0.00%	0.00%	0.13%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

7. **Impact of Covid-19.**

Impact of Covid19 on our activities can be broadly classified in to three parts.

i. **Impact on Operational aspects**: In lieu of the recent outbreak of Covid-19 and its unprecedented circumstances, work from home, a new concept altogether has been introduced. Incidentally, it had its own challenges for us to get accustomed to this new way of working. Thankfully we had the right set of technology including business continuity plan to get things going with no rundowns. We are using VPN technology to access IT Services and Application. The VPN technology is implemented with encryption functioning which encrypts the traffic in motion. Also, the VPN is integrated with UTI Active Directory and therefore, only authorized users are allowed to access. All the operational activities including concurrent audit are being carried out smoothly with adequate security controls and all checks and balances.

ii. **Impact on Fund Management activity:** Fund management involves managing the funds available as per the prescribed Investment guidelines, keeping tap on inflows/outflows, deal placement & confirmation at the end of the day as well reporting of the same. The existing systems while working from home, are functioning well right from the deal placement & approval in M-Power, reporting at EBP (electronic bidding platform), CBRICS, NDS-OM, etc. All the Deal confirmations are done via e-mail with the counterparties/brokers currently. Fund management activity has also been going on unhindered with all security controls.

iii. **Impact on valuation of Securities on account of fall in markets due to Covid19:**

Under NPS, the portfolio is valued at Mark to Market. The recent market crash had negative impact on NAVs of NPS Schemes, specially the Equity Portfolio and in view of the continuing uncertainties, the securities market and consequently the NAVs of the funds may see high volatilities in the coming future over short term. However, since the NPS schemes are long term product, the short term valuation impact should not be a cause of concern. The impact of these short term volatility is expected to even out in the long term and it may streamline with passage of time.

8. Declaration

Schemes permit investments partly or wholly in shares, bonds, debentures and other scripts or securities whose value can fluctuate. The price and redemption value of the units, and income from them, can go up as well as down with the fluctuations in the market value of its underlying investments.

All investments in Pension Funds and securities are subject to market risks and the NAV of the Funds may go up or down depending on the factors and forces affecting the securities markets. There can be no assurance that the funds objectives will be achieved. Past performance of the sponsor / Pension Fund Schemes / Pension Fund Manager is not necessarily indicative of future results.

The Pension Fund schemes are subject to risk relating to credit, interest rates, liquidity, trading in Equity and Debt Derivatives (the specific risk could be credit, market illiquidity, judgmental error and interest rates).

9. Fund Facts & Performance

a) Scheme E – Tier I:-

Date of Inception	**May 21, 2009**
Fund size as on 31/03/2021	₹ 871.56 Crores
NAV per unit as on 31/03/2021	₹ 37.4794
Performance as on 31/03/2021: -	

Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (Nifty 100)**
Last 1 year	72.82%	73.48%
Last 3 years	12.11%	13.73%
Last 5 years	14.00%	14.79%
Last 10 Years	10.63%	10.57%
Since inception	11.78%	12.07%

b) Scheme E – Tier II:-

Date of Inception	**December 14, 2009**
Fund size as on 31/03/2021	₹ 44.13 Crores
NAV per unit as on 31/03/2021	₹ 30.8073
Performance as on 31/03/2021: -	

Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (Nifty 100)**
Last 1 year	73.91%	73.48%
Last 3 years	12.61%	13.73%
Last 5 years	14.14%	14.79%
Last 10 Years	10.80%	10.57%
Since inception	10.47%	10.55%

c) Scheme C – Tier I:-

Date of Inception		**May 21, 2009**
Fund size as on 31/03/2021		₹ 449.94 Crores
NAV per unit as on 31/03/2021		₹ 29.1428
Performance as on 31/03/2021: -		
Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (CRISIL NPS – Corporate Bond Index)**
Last 1 year	9.79%	12.56%
Last 3 years	9.19%	10.52%
Last 5 years	9.09%	9.82%
Last 10 Years	9.88%	9.96%
Since inception	9.43%	9.42%

d) Scheme C – Tier II:-

Date of Inception		**December 14, 2009**
Fund size as on 31/03/2021		₹ 20.88 Crores
NAV per unit as on 31/03/2021		₹ 27.8979
Performance as on 31/03/2021: -		
Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (CRISIL NPS – Corporate Bond Index)**
Last 1 years	9.35%	12.56%
Last 3 years	9.23%	10.52%
Last 5 years	9.08%	9.82%
Last 10 Years	9.90%	9.96%
Since inception	9.50%	9.53%

MUMBAI Chartered Accountants

e) Scheme G – Tier I:-

Date of Inception	**May 21, 2009**
Fund size as on 31/03/2021	₹ 805.78 Crores
NAV per unit as on 31/03/2021	₹ 27.3443
Performance as on 31/03/2021: -	

Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (CRISIL NPS – Govt. Securities Index)**
Last 1 year	7.84%	6.04%
Last 3 years	10.23%	9.84%
Last 5 years	9.28%	8.95%
Last 10 Years	9.09%	8.90%
Since inception	8.85%	8.00%

f) Scheme G – Tier II:-

Date of Inception	**December 14, 2009**
Fund size as on 31/03/2021	₹ 37.07 Crores
NAV per unit as on 31/03/2021	₹ 28.1032
Performance as on 31/03/2021: -	

Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (CRISIL NPS – Govt. Securities Index)**
Last 1 year	7.51%	6.04%
Last 3 years	10.29%	9.84%
Last 5 years	9.41%	8.95%
Last 10 Years	9.13%	8.90%
Since inception	9.57%	8.69%

g) Scheme A – Tier I:-

Date of Inception	**October 14, 2016**
Fund size as on 31/03/2020	₹ 3.11 Crores
NAV per unit as on 31/03/2020	₹ 12.8670
Performance as on 31/03/2020: -	

Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark**
Last 1 year	2.53%	NA
Last 3 Years	5.41%	NA
Since inception	5.81%	NA

h) Tax Saver- Tier II Scheme:-

Date of Inception		**Sept 04, 2020**
Fund size as on 31/03/2021		₹ 0.15 Crore
NAV per unit as on 31/03/2021		₹ 10.1819
Performance as on 31/03/2021: -		
Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (CRISIL NPS – Government Pattern Index)**
Last 1 year	N/A	N/A
Last 3 years	N/A	N/A
Last 5 years	N/A	N/A
Since inception	3.21%	N/A

i) Scheme – Central Government:-

Date of Inception		**April 01, 2008**
Fund size as on 31/03/2021		₹ 60,511.71 Crores
NAV per unit as on 31/03/2021		₹ 33.9417
Performance as on 31/03/2021: -		
Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (CRISIL NPS – Government Pattern Index)**
Last 1 year	15.09%	16.33%
Last 3 years	10.26%	10.76%
Last 5 years	10.11%	10.03%
Last 10 Years	9.76%	9.64%
Since Inception	9.85%	9.49%

j) Scheme – State Government :-

Date of Inception		**June 25, 2009**
Fund size as on 31/03/2021		₹ 97,045.58 Crores
NAV per unit as on 31/03/2021		₹ 30.2089
Performance as on 31/03/2021: -		
Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (CRISIL NPS – Government Pattern Index)**
Last 1 year	14.93%	16.33%
Last 3 years	10.23%	10.76%
Last 5 years	10.04%	10.03%
Last 10 Years	9.86%	9.64%
Since inception	9.85%	9.25%

k) NPS Lite Scheme –Govt. Pattern:-

Date of Inception		**October 04, 2010**
Fund size as on 31/03/2021		₹ 1241.53 Crores
NAV per unit as on 31/03/2021		₹ 28.0939
Performance as on 31/03/2021: -		
Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (CRISIL NPS – Government Pattern Index)**
Last 1 year	15.27%	16.33%
Last 3 years	10.17%	10.76%
Last 5 years	10.06%	10.03%
Last 10 Years	10.13%	9.64%
Since inception	10.34%	9.35%

l) Scheme Atal Pension Yojana:-

Date of Inception		**June 04, 2015**
Fund size as on 31/03/2021		₹ 5178.21 Crores
NAV per unit as on 31/03/2021		₹ 17.3986
Performance as on 31/03/2021: -		
Period	**Compounded Annual Growth Rate (CAGR)%**	
	Scheme	**Benchmark (CRISIL NPS – Government Pattern Index)**
Last 1 year	15.14%	16.33%
Last 3 years	10.45%	10.76%
Last 5 years	10.22%	10.03%
Last 10 Years	N/A	N/A
Since inception	9.97%	9.86%

10. Key Statistics

Key statistics are mentioned as annexures to the financial statements of respective NPS Schemes managed by UTI Retirement Solutions Limited in the format prescribed by the NPS Trust.

10. Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2020-21

PFRDA had framed "**Voting Policy on Assets held by the NPS Trust**". The responsibility to exercise the voting rights on the assets held by NPS Schemes has been delegated to the Custodian based on the consensus formed amongst all the Pension Fund Managers under NPS.

Further, NPS Trust has authorized PFMs to act as Co-coordinating PFM (on rotational basis for a period of three months by each PFM), for arriving at coordinated consensus on the voting decision to be exercised uniformly on behalf of NPS Trust.

Accordingly, voting rights were exercised by the custodian during FY 2020–21 in accordance with the Voting Policy of PFRDA and after arriving at the consensus of all other PFMs on behalf of NPS Schemes managed by UTI Retirement Solutions Limited. The details of the voting may be viewed in our website.

Auditor's Certificate on the Voting rights exercised by UTI Retirement Solutions:

The Auditors' Certificate on the proxy voting exercised during the FY 2020-21 is attached along with the Annual Report at page no 28 & 29.

11. Extracts of the Minutes of the Board Meeting

Extracts of the minutes of the Board meeting of UTI Retirement Solutions Limited approving the Annual Report and Accounts of NPS Schemes managed by UTI Retirement Solutions Limited as on 31st March, 2021 attached along with the Annual Report at Page No. 26 & 27.

For UTI Retirement Solutions Limited

Balram P. Bhagat
(Chief Executive Officer &
Whole Time Director)

Extracts of the Resolutions passed by the Board of Directors of UTI Retirement Solutions Limited in its meeting held on 27th April, 2021 at its Registered Office.

"Resolved,

that the Annual Statement of Accounts *viz.* Revenue Accounts for the year ended 31st March, 2021 and Balance Sheet as on that date; Schedules attached thereto; Significant Accounting Policies and Notes to Accounts along with Auditors' Report thereon as annexed to the memorandum dated 23rd April, 2021 and Annual Report of the following NPS Schemes managed by UTI Retirement Solutions Limited for the Financial Year 2020-21, be and is hereby noted and approved: -

Sr. No.	Name of the NPS Scheme
1.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme E – Tier I
2.	NPS Trust – A/c UTI Retirement Solutions Scheme E – Tier II
3.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme C – Tier I
4.	NPS Trust – A/c UTI Retirement Solutions Scheme C – Tier II
5.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme G – Tier I
6.	NPS Trust – A/c UTI Retirement Solutions Scheme G – Tier II
7.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme A – Tier I
8.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme Central Government
9.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme State Government
10.	NPS Trust – A/c UTI Retirement Solutions Limited Scheme NPS Lite – Govt. Pattern
11.	NPS Trust – A/c UTI Retirement Solutions Limited Scheme Atal Pension Yojana (APY)
12.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme Corporate CG (inoperative)
13.	NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme - Tax Saver- Tier II

"Resolved Further,

that the Combined Annual Statement of Accounts *viz.* Revenue Accounts for the year ended 31st March, 2021 and Balance Sheet as on that date; Schedules attached thereto; Significant Accounting Policies and Notes to Accounts alongwith Auditors' Report thereon as annexed to the memorandum dated 23rd April, 2021 of all the NPS Schemes managed by UTI

Retirement Solutions Limited for the Financial Year 2020-21, be and is hereby noted and approved."

"Resolved Further,
that the accounting policies as mentioned in the PFRDA (Preparation of Financial Statements and Auditor's report of Schemes under National Pension System) Guidelines - 2012, as modified / updated from time to time, be and are hereby adopted."

"Resolved Further,
that Mr. Balram P. Bhagat, Chief Executive Officer & Whole Time Director and any of the Directors be and are hereby authorized to sign, on behalf of the Board, Annual Statement of Accounts *viz.* Revenue Accounts for the year ended 31st March, 2021 and Balance Sheet as on that date; Schedules attached thereto; Significant Accounting Policies and Notes to Accounts of all the NPS Schemes managed by UTI Retirement Solutions Limited."

"Resolved Further,
that Mr. Balram P. Bhagat, Chief Executive Officer & Whole Time Director be and is hereby authorized to sign, on behalf of the Board, the Annual Report of the NPS Schemes managed by UTI Retirement Solutions Limited for the Financial Year 2020-21."

For UTI Retirement Solutions Limited

(Company Secretary)

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057
Tel.: +91-22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Road, Churchgate, Mumbai - 400 020
Tel.: +91-22-6623 0600

UDIN: 21100052AAAACM9118

Certificate

We, C N K & Associates LLP, the statutory scheme auditors of UTI Retirement Solutions Limited (the pension Fund Manager), having its registered office at UTI Tower, 'Gn' Block, Bandra Kurla Complex, Bandra (East), Mumbai — 400 051 have been requested to certify the voting reports disclosed in its website, in terms of **'Voting Policy on Assets held by NPS Trust'** issued by the Pension Fund Regulatory and Development Authority (PFRDA), for the purpose of onward submission to its Board and to the NPS Trust.

Management's Responsibility

The compliance with the requirements of the Voting Policy is the responsibility of the Pension Fund Manager.

The following have been furnished to us by the Pension Fund Manager:

a) Quarterly voting reports on its website for Q1, Q2, Q3 and Q4 of the Financial year 2020-21;
b) Voting data and supporting documents maintained by the Pension Fund Manager with respect to the voting reports disclosed; and
c) Written representation from the management with regard to the above.

Auditor's Responsibility

a) Our responsibility is to verify the aforesaid Voting reports. We have carried out our verification in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

b) We have verified, on a test basis the contents of the voting reports with the voting data and supporting documents maintained by the Pension Fund Manager.

c) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

d) We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

Opinion

Based on the procedures performed by us as stated above and according to the information, explanations and written representation provided to us by the Pension Fund Manager, we hereby certify that:

a) Voting reports for Q1, Q2, Q3 and Q4 of the Financial Year 2020-21 disclosed on the website of Pension Fund Manager are in accordance with the format prescribed in the 'Voting Policy on Assets held by NPS Trust' issued by the Pension Fund Regulatory and Development Authority;



b) Voting reports were disclosed on the website of UTI Retirement Solutions Limited on quarterly basis; and,

c) Contents of the voting reports are matching with the supporting documents maintained by the Pension Fund Manager.

We have not reviewed:

a) Whether voting reports cover all relevant investee companies; and,
b) The voting decisions taken by the Management of Pension Fund Managers.

Restriction on Use

This certificate is issued solely for the purpose of onward submission to the NPS Trust/PFRDA. It should not be used by any other person or for any other purpose, without our consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For C N K & Associates LLP
Chartered Accountants
Firm Regn No: 109661W/ W-100036

HIREN CHINUBHAI SHAH
Digitally signed by HIREN CHINUBHAI SHAH
Date: 2021.05.14 15:15:54 +05'30'

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

Hiren Shah
Partner
Membership No: 100052

Place: Mumbai
Date: 14th May 2021

Ref: CERT/VLP/31/21-22
UDIN: 21100052AAAACM9118

Retirement Solutions

UTI Retirement Solutions Limited

Combined Annual Audited Financial Statements Of Accounts of all the NPS Schemes As at 31st March, 2021

Contents: -

- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

Report of Agreed-upon Procedures Related to Combined Financial Statements

To,
The Trustees,
National Pension System Trust

We have performed the procedures agreed with you with respect to the accompanying Combined Financial Statements (CFS) of all schemes of **National Pension System Trust (NPS) A/c UTI Retirement Solutions Pension Fund Schemes under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise of the Combined Balance Sheet as at 31st March, 2021 and Combined Revenue Account for the period 1st April, 2020 to 31st March, 2021.

Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India.

Management's Responsibility

Management is responsible for the preparation of this CFS in accordance with format prescribed by the NPS Trust and Pension Fund Regulatory and Development Authority (PFRDA), and the disclosure and presentation requirements. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the CFS that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor' Responsibility

We have conducted verification of the CFS in accordance with SRS 4400 and in accordance with auditing standards generally accepted in India. We have verified and validated that the accompanying CFS has been prepared in accordance with the format prescribed by the NPS. We have relied on management's judgement for the disclosure of notes therein.

The CFS of all schemes is solely prepared to assist the National Pension Scheme Trust for their combined financial statements in format prescribed for scheme accounts to meet the requirements of PFRDA.



Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the CFS as at 31st March, 2021.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.

Other Matters

1. This report to be read along with our separate report prepared for scheme wise for the year ended 31.03.2021 with respect to Emphasis of Matters.

2. Separate scheme wise financial statements have been prepared for the year ended 31st March, 2021 in accordance with Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended), Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) executed with the NPS Trust, the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Schemes; based on which we have issued separate scheme wise auditor's report.

Restriction on Use and Distribution

Our report is solely for the purpose set forth in the above paragraphs of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

C N K & Associates LLP
Chartered Accountants
FRN: 101961W / W-100036

Hiren Shah
Partner
Membership No.: 100052
UDIN : 21100052AAAAE6920I
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	54090 14 94 714	45627 10 63 472
Reserves and Surplus	2	112119 50 63 154	76573 80 36 822
Current Liabilities and Provisions	3	99 22 87 821	9 44 62 229
Total		**166308 88 45 689**	**122210 35 62 523**
Assets			
Investments	4	163282 56 17 133	119701 58 51 286
Deposits	5	16 07 25 000	51 29 19 492
Other Current Assets	6	3010 25 03 556	2457 47 91 745
Total		**166308 88 45 689**	**122210 35 62 523**
(a) Net assets as per Balance Sheets		166209 65 57 868	122200 91 00 294
(b) Number of units outstanding		5409 01 49 469	4562 71 06 346
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
COMBINED REVENUE ACCOUNT OF ALL SCHEMES FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		251 70 43 557	198 40 46 280
Interest		8750 11 22 803	7001 80 65 628
Profit on sale/redemption of investments		623 26 71 236	239 91 63 953
Profit on inter-scheme transfer/sale of investments		20 74 14 335	-
Unrealized gain on appreciation in investments		10944 06 07 328	5128 28 50 478
Other income			
- Miscellaneous Income		8 07 398	34 080
Total Income (A)		**20589 96 66 657**	**12568 41 60 419**
Expenses and Losses			
Unrealized losses in value of investments		580 48 33 258	5027 84 73 565
Loss on sale/redemption of investments		155 23 44 776	113 25 16 892
Loss on inter-scheme transfer/sale of investments		58 217	-
Management fees (including GST)		17 56 37 398	13 16 38 307
NPS Trust fees		7 29 79 390	3 81 93 592
Custodian fees (including GST)		4 78 89 271	3 36 29 317
Depository and settlement charges (including GST)		91 48 768	1 12 99 683
Stamp Duty on Bond/Mutual Fund		3 05 14 923	-
CRA Fees		28 00 89 490	23 07 69 398
Less: Amount recoverable on sale of units on account of CRA Charges		(28 00 89 490)	(23 07 69 398)
Provision for Non-Performing Assets		33 75 00 000	559 49 85 522
Other Expenses		80	6 61 236
Total Expenditure (B)		**803 09 06 081**	**5722 13 98 114**
Surplus/(Deficit) for the year (A-B)		**19786 87 60 576**	**6846 27 62 305**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(10363 57 74 070)	(100 43 76 913)
Less: Amount transferred (to) / from General Reserve		(9423 29 86 506)	(6745 83 85 392)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	45627 10 63 472	37262 75 84 165
Add :Units issued during the year	9048 67 59 500	8746 30 47 845
Less: Units redeemed during the year	(585 63 28 258)	(381 95 68 538)
Outstanding at the end of the year	**54090 14 94 714**	**45627 10 63 472**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	4562 71 06 346	3726 27 58 415
Add :Units issued during the year	904 86 75 949	874 63 04 785
Less: Units redeemed during the year	(58 56 32 826)	(38 19 56 855)
Outstanding units at the end of the year	**5409 01 49 469**	**4562 71 06 346**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	46419 17 72 562	33136 71 25 718
Add: Premium on Units issued	16810 36 84 345	13830 28 45 283
Less: Premium on Units redeemed	(1051 54 18 589)	(547 81 98 439)
Add: Transfer from General Reserve	-	-
Closing Balance	**62178 00 38 318**	**46419 17 72 562**
General Reserve		
Opening Balance	25838 64 35 947	19092 80 50 555
Add: Transfer from Revenue Account	9423 29 86 506	6745 83 85 392
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**35261 94 22 453**	**25838 64 35 947**
Unrealised Appreciation Account		
Opening Balance	4315 98 28 313	4215 54 51 400
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	10363 57 74 070	100 43 76 913
Closing Balance	**14679 56 02 383**	**4315 98 28 313**
Total	**112119 50 63 154**	**76573 80 36 822**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	7 16 08 005	5 36 06 166
Book Overdraft	-	-
Redemption Payable	30 91 32 746	3 94 39 249
TDS Payable	14 09 492	14 16 814
Contracts for purchase of investments	61 01 37 578	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**99 22 87 821**	**9 44 62 229**

NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	24167 82 74 380	11373 21 10 259
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	52852 52 18 716	43274 13 04 560
Central and State Government Securities (including treasury bills)	81597 52 37 299	63240 09 57 842
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	2 88 33 461	-
Others - Mutual Fund Units	4661 80 53 277	1814 14 78 625
Non Convertible Debentures classified as NPA	491 00 00 000	503 25 00 000
Less: Provision on Non performing investment	(491 00 00 000)	(503 25 00 000)
Total	**163282 56 17 133**	**119701 58 51 286**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	16 07 25 000	51 29 19 492
Total	**16 07 25 000**	**51 29 19 492**

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	1 70 04 435	3 33 185
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	64 64 59 317	64 64 59 317
Less: Provision for interest on Non-Performing Investment	(64 64 59 317)	(64 64 59 317)
Outstanding and accrued income	2933 99 39 184	2424 20 24 364
Dividend Receivable	10 71 92 066	2 27 89 060
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	63 83 67 871	30 96 45 136
Redemption receivable on Non performing Investment	126 00 00 000	80 00 00 000
Less: Provision for Non Performing Investment	(126 00 00 000)	(80 00 00 000)
Total	**3010 25 03 556**	**2457 47 91 745**

NATIONAL PENSION SYSTEM TRUST

NPS Trust A/c - UTI Retirement Solutions Limited all Schemes

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations is given below :-

Sr. No.	Name of Scheme	Date of Inception
1.	Scheme E - Tier I	21st May, 2009
2.	Scheme E - Tier II	14th December, 2009
3.	Scheme C - Tier I	21st May, 2009
4.	Scheme C - Tier II	14th December, 2009
5.	Scheme G - Tier I	21st May, 2009
6.	Scheme G - Tier II	14th December, 2009
7.	Scheme A - Tier I	14th October, 2016
8.	Scheme Tax Saver - Tier II	4th September, 2020
9.	Scheme - Central Govt.	1st April, 2008
10.	Scheme - State Govt.	25th June, 2009
11.	NPS Lite Scheme - Govt. Pattern	4th October, 2010
12.	Scheme - Corporate CG	5th November, 2012
13.	Atal Pension Yojana	4th June, 2015

3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Name of Scheme	Investment Objective
1.	Scheme E - Tier I	To optimize returns through investments in :- a. Shares of companies which are listed in BSE or NSE which have market capitalization of not less than Rs. 5000 crore as on the date of investment and on which derivatives are available; b. Units of Mutual funds regulated by the SEBI, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE; c. ETFs / Index Funds regulated by the SEBI that replicate the portfolio of either BSE Index of NSE Nifty 50 Index; d. ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporate; and e. Exchange traded derivatives regulated by SEBI
2.	Scheme E - Tier II	
3.	Scheme C - Tier I	To optimize returns through investments in: - a. Listed (or proposed to be listed) debt securities issued by bodies corporate, including banks and public financial institutions, which have a minimum residual maturity period of three years or less than three years from the date of investment; b. Basel III Tier - 1 Bonds issued by scheduled commercial banks under RBI Guidelines; c. Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank; and d. Term deposit Receipts of not less than one year duration issued by scheduled commercial banks.
4.	Scheme C - Tier II	
5.	Scheme G - Tier I	To optimize returns through investments in: - a. Government Securities; b. Other Securities the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government; and c. Units of mutual funds set up as dedicated funds for investment in Government securities and regulated by the SEBI.
6.	Scheme G - Tier II	

<table>
<tr><td>7.</td><td>Scheme A – Tier I</td><td>To optimize returns through investments in: -
a. Commercial mortgage based securities or Residential mortgaged based securities
b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India
c. Asset backed securities regulated by the Securities and Exchange Board of India
d. Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India
e. Alternative Investment Funds (AIF Category I & II) registered with Securities and Exchange Board of India.</td></tr>
<tr><td>8.</td><td>Scheme Tax Saver – Tier II</td><td>To optimize returns by investing in the instruments as per the following prescribed limits: -
<table><tr><th>Instrument</th><th>Limit</th></tr><tr><td>Equity*</td><td>10%-25%</td></tr><tr><td>Debt**</td><td>Upto 90%</td></tr><tr><td>Cash/Money Market/Liquid MFs</td><td>Upto 5%</td></tr></table>
* Investment guidelines as applicable for Scheme E – Tier II
** Investment guidelines as applicable for Scheme G – Tier II and Scheme C – Tier II</td></tr>
<tr><td>9.</td><td>Scheme - Central Govt.</td><td rowspan="5">To optimize returns by investing in the instruments as per the following prescribed limits: -
<table><tr><th>Instrument</th><th>Limit</th></tr><tr><td>Govt. Securities</td><td>Upto 55%</td></tr><tr><td>Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.</td><td>Upto 45%</td></tr><tr><td>Short Term Debt Instruments and related investments</td><td>Upto 10%</td></tr><tr><td>Equity and related investments</td><td>Upto 15%</td></tr><tr><td>Asset Backed, Trust Structured and Miscellaneous Investments</td><td>Upto 5%</td></tr></table></td></tr>
<tr><td>10.</td><td>Scheme – State Govt.</td></tr>
<tr><td>11.</td><td>NPS Lite Scheme – Govt. Pattern</td></tr>
<tr><td>12.</td><td>Scheme – Corporate CG</td></tr>
<tr><td>13.</td><td>Atal Pension Yojana</td></tr>
</table>

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
   The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

   Investments are valued using the price determined in the following manner:

   A) <u>Valuation of Equity and Equity related Instruments</u>

a. **Equity:**

i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.

ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.

b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

B) Valuation of Debt Instruments

I) Valuation Policy up to 31st December, 2019

a. **Debentures, corporate bonds, commercial papers and certificate of deposits:**

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

C H K & ASSOCIATES LLP MUMBAI Chartered Accountants

UTI Retirement Solutions Limited Mumbai

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

c. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**
Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

b) **Government Securities:**

i) **Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

c) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Non Performing Investments:**
Investments are classified as non-performing based on PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013. An investment is regarded as non-performing if interest / principal or both amounts have not been received or remained outstanding for one quarter from the day such income / instrument has fallen due.

Provisions are made for Non-performing investments as per the extant guidelines prescribed by PFRDA as shown below:

Period past due from the date of classification of assets as NPA	% Provision On Book Value
3 Months	50%
6 Months	75%
9 Months	100%

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

Re-schedulement of NPA:
In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.

ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

8. **Income Recognition**:
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit /Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

9. **Computation of NAV:** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

10. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year-end are 54090091154.2742 and the balance 58314.6343 have been identified as residual units with CRA.

Total 5259987.0947 Units are lying in the name of "CRA Unitisation Pooled PRAN" maintained by CRA. As explained by CRA, the subscribers have not been identified for the same. Moreover, total 3047968.4307 Units are lying in the name of "Central Govt. Suspense PRAN", "State Govt. Suspense PRAN" & "UOS Suspense PRAN" maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is ₹ 17,56,37,398/- (Previous Year ₹ 13,16,38,307/-) including GST.

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are ₹ 7,29,79,390/- (Previous Year ₹ 3,81,93,592/-).

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
1,17,516.43	80.48	81,712.50	55.96	1,27,163.23	116.18	96,927.93	88.56

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ 25,587.71 Crores (Previous Year ₹ 19,276.15 Crores).

I. **Net Asset Value:**

Sr. No.	Name of Scheme	Current Year	Previous Year
		As on 31st March, 2021 (in ₹)	As on 31st March, 2020 (in ₹)
1.	Scheme E - Tier I	37.4794	21.6868
2.	Scheme E - Tier II	30.8073	17.7142
3.	Scheme C - Tier I	29.1428	26.5444
4.	Scheme C - Tier II	27.8979	25.5118
5.	Scheme G - Tier I	27.3443	25.3556
6.	Scheme G - Tier II	28.1032	26.1392
7.	Scheme A - Tier I	12.8670	12.5500
8.	Scheme Tax Saver - Tier II	10.1819	NA
9.	Scheme - Central Govt	33.9417	29.4922
10.	Scheme - State Govt.	30.2089	26.2850
11.	NPS Lite Scheme - Govt. Pattern	28.0939	24.3723
12.	Scheme - Corporate CG	10.0000	10.0000
13.	Atal Pension Yojana	17.3986	15.1103

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
20,589.97	14.10	803.09	0.55	12,568.42	11.48	5,722.14	5.23

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. Non-Performing Assets:

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 31st March, 2021 is as under:

₹ in Crores

Particular	As on 31st March, 2021****	As on 31st March, 2020****
Book Value	617.00	583.25
Provision for NPA	617.00	583.25
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.37	0.48

*** Investment is not traded, hence market value is not ascertainable.

**** As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited.

N. Contingent liability as on 31st March, 2021 is ₹ 48,81,19,183 towards uncalled amount of ₹ 942.75 per shares on 5,17,761 Partly Paid shares of Reliance Industries Limited. (Previous Year ₹ 10,07,97,650).

O. Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 31st March, 2021 is ₹ NIL. (Previous Year ₹ Nil).

P. The investment in Air India Bond, Food Corporation of India Limited and Mahanagar Telephone Nigam Limited has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

Q. The bond 8% Britannia Industries Limited 28/08/2022 was received as bonus against our equity holding in Britannia Industries Limited.

R. **Investment in associates and group companies**: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 73,814.55	₹ 3,391.20	₹ 96,724.00	₹ 1,561.29

S. **Portfolio**: Please refer scheme wise financials for industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021.

T. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure A.

U. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. – 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer & Whole Time Director
DIN : 01846261

Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

Key Statistics

UTI Retirement Solutions Limited

Combined Key Statistics of all NPS Scheme

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	NA	NA	Closing NAV as on 1st April of the Current F Y
	High	NA	NA	Highest NAV during the F Y
	Low	NA	NA	Lowest NAV during the F Y
	End	NA	NA	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	1,66,20,965.58	1,22,20,091.00	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	1,46,02,516.57	1,09,45,192.76	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	14.10%	11.48%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0230%	0.0196%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0120%	0.0120%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	13.55%	6.26%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	3.37%	2.19%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	NA	NA	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	NA	NA	
	Last 5 Years	NA	NA	
	Last 10 Years	NA	NA	
	Since Launch of the scheme	NA	NA	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme E TIER I (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.1,91,92,297 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs.1,65,09,901) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	232 54 23 717	170 63 02 565
Reserves and Surplus	2	639 01 48 274	199 41 20 353
Current Liabilities and Provisions	3	2 02 75 942	37 54 287
Total		**873 58 47 933**	**370 41 77 205**
Assets			
Investments	4	873 19 51 735	370 32 61 135
Deposits	5	-	-
Other Current Assets	6	38 96 198	9 16 070
Total		**873 58 47 933**	**370 41 77 205**
(a) Net assets as per Balance Sheets		871 55 71 991	370 04 22 918
(b) Number of units outstanding		23 25 42 372	17 06 30 256
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

Date: 27/04/2021
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		7 80 25 513	5 61 69 223
Interest		34 650	63 791
Profit on sale/redemption of investments		5 37 85 500	6 59 07 979
Profit on inter-scheme transfer/sale of investments		7 75 903	-
Unrealized gain on appreciation in investments		302 49 58 096	6 48 35 648
Other income			
- Miscellaneous Income		1 152	297
Total Income (A)		**315 75 80 814**	**18 69 76 938**
Expenses and Losses			
Unrealized losses in value of investments		16 06 315	148 93 67 423
Loss on sale/redemption of investments		4 27 64 031	3 22 95 330
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		7 28 867	4 91 102
NPS Trust fees		3 08 841	1 42 971
Custodian fees (including GST)		1 97 872	1 15 172
Depository and settlement charges (including GST)		31 607	43 775
Stamp Duty on Bond/Mutual Fund		2 29 111	-
CRA Fees		36 10 894	31 13 030
Less: Amount recoverable on sale of units on account of CRA Charges		(36 10 894)	(31 13 030)
Provision for Non-Performing Assets		-	-
Other Expenses		-	710
Total Expenditure (B)		**4 58 66 644**	**152 24 56 483**
Surplus/(Deficit) for the year (A-B)		**311 17 14 170**	**(133 54 79 545)**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(302 33 51 781)	142 45 31 775
Less: Amount transferred (to) / from General Reserve		(8 83 62 389)	(8 90 52 230)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	170 63 02 565	125 89 53 097
Add :Units issued during the year	82 01 15 300	58 32 90 836
Less: Units redeemed during the year	(20 09 94 148)	(13 59 41 368)
Outstanding at the end of the year	**232 54 23 717**	**170 63 02 565**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	17 06 30 256	12 58 95 310
Add :Units issued during the year	8 20 11 530	5 83 29 083
Less: Units redeemed during the year	(2 00 99 415)	(1 35 94 137)
Outstanding units at the end of the year	**23 25 42 372**	**17 06 30 256**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	255 63 59 560	174 98 60 063
Add: Premium on Units issued	173 82 68 101	106 71 31 679
Less: Premium on Units redeemed	(45 39 54 350)	(26 06 32 182)
Add: Transfer from General Reserve	-	-
Closing Balance	**384 06 73 311**	**255 63 59 560**
General Reserve		
Opening Balance	22 97 89 476	14 07 37 246
Add: Transfer from Revenue Account	8 83 62 389	8 90 52 230
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**31 81 51 865**	**22 97 89 476**
Unrealised Appreciation Account		
Opening Balance	(79 20 28 683)	63 25 03 092
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	302 33 51 781	(142 45 31 775)
Closing Balance	**223 13 23 098**	**(79 20 28 683)**
Total	**639 01 48 274**	**199 41 20 353**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	3 40 720	1 90 843
Book Overdraft	-	-
Redemption Payable	1 99 28 271	35 58 796
TDS Payable	6 951	4 648
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**2 02 75 942**	**37 54 287**

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	854 78 19 345	359 35 21 092
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	7 58 744
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	18 41 32 390	10 89 81 299
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
Total	**873 19 51 735**	**370 32 61 135**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	-	-
Total	-	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	5 39 941	1 15 200
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	-	34 720
Dividend Receivable	33 56 257	7 66 150
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	**38 96 198**	**9 16 070**





NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme E - Tier I

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipts of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 21st May, 2009.

3. **Investment pattern to be followed as per the PFRDA Regulations:**

(a) Shares of body corporates listed on Bombay Stock Exchange (BSE) or National Stock Exchange (NSE), which have:
   (i) Market Capitalisation of not less than Rs. 5000 croroe as on the date of investment;
   (ii) And derivatives with the shares as underlying traded in the either of the two stock exchange.

(b) Units of Mutual funds regulated by the Securities and Exchange Board of India, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE.

(c) Exchange Traded Funds (ETFs) / Index Funds regulated by the Securities and Exchange Board of India that replicate the portfolio of either BSE Index of NSE Nifty 50 Index.

(d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.

(e) Exchange traded derivatives regulated by Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.

Provided that the portfolio invested in derivatives in terms of contract value shall not be in excess of 5% of the total portfolio invested in sub - categories (a) to (d) above.

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. **Significant Accounting Policies**

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**

a. Investments are accounted on trade date.

b. Cost is determined on the basis of weighted average cost.

c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.

d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.

e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.

f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.

g. Investments are reconciled with the custodian records on daily basis.

h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

Investments are valued using the price determined in the following manner:

A) **Valuation of Equity and Equity related Instruments**

a. **Equity:**
   i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
   ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
   iii. **Right entitlement:**
      a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
      b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

B) **Valuatiuon of Debt Instruments**

I) **Valuation Policy up to 31st December, 2019**

a. **Debentures, corporate bonds, commercial papers and certificate of deposits:**
   ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**
Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

c) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Income Recognition:**
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest - bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis
   e. Profit /Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 7,28,867	₹ 4,91,102

* excluding GST
** including GST

E. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 232542292.9856 and the balance 78.6021 have been identified as residual units with CRA.

F. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 3,08,841	₹ 1,42,971

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
822.21	133.00	620.71	100.40	966.32	231.99	832.58	199.89

H. The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ NIL. (Previous Year ₹ 7,58,744).

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 37.4794	₹ 21.6868

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
315.76	51.08	4.59	0.74	18.70	4.49	152.25	36.55

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. Contingent liability as on 31st March, 2021 is ₹ 1,73,53,199 towards uncalled amount of ₹ 942.75 per shares on 18,407 Partly Paid shares of Reliance Industries Limited. (Previous Year ₹ 11,06,400).

N. The bond 8% Britannia Industries Limited 28/08/2022 was received as bonus against our equity holding in Britannia Industries Limited.

O. **Other disclosures:**

Particulars	Current Year	Previous Year
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

P. **Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 148.67	₹ 14.41	₹ 797.51	₹ 8.90

Q. **Details of Net Unrealized Gains / (Losses) for the period are given below:**

₹ in Crores

Particular	Current Year	Previous Year
Net Unrealized Gains / (Losses)	₹ 302.34	₹ (142.45)

R. **Portfolio**: Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is given in Annexure A.

S. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure B.

T. The Previous Year figures are regrouped / reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer & Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

ANNEXURE A

Industry wise classification where industry explosure % to total explosure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
HDFC BANK LTD.	4,52,974	67,65,84,615	7.76	7.92
ICICI BANK LTD.	10,66,835	62,10,04,654	7.13	7.27
AXIS BANK LTD.	4,90,843	34,23,38,450	3.93	4.00
KOTAK MAHINDRA BANK LTD.	1,89,495	33,21,84,735	3.81	3.89
STATE BANK OF INDIA	8,51,687	31,02,69,574	3.56	3.63
INDUSIND BANK LTD.	1,05,117	10,03,28,921	1.15	1.17
BANK OF BARODA	1,08,120	80,11,692	0.09	0.09
IDFC BANK LIMITED	64,936	36,16,935	0.04	0.04
YES BANK	46,402	7,23,871	0.01	0.01
PUNJAB NATIONAL BANK	3,627	1,32,930	0.00	0.00
		2,39,51,96,377	**27.48**	**28.02**
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	5,15,262	70,49,04,179	8.09	8.25
TATA CONSULTANCY SERVICES LTD.	1,25,122	39,76,18,948	4.56	4.65
WIPRO LTD.	2,56,000	10,60,22,400	1.22	1.24
TECH MAHINDRA LTD.	94,930	9,41,18,349	1.08	1.10
HCL TECHNOLOGIES LIMITED	58,000	5,69,93,700	0.65	0.67
		1,35,96,57,576	**15.60**	**15.91**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	2,94,021	57,21,55,237	6.56	6.69
BHARAT PETROLEUM CORPORATION LTD.	1,40,000	5,99,13,000	0.69	0.70
INDIAN OIL CORPORATION LTD.	2,19,400	2,01,51,890	0.23	0.24
HINDUSTAN PETROLEUM CORPORATION LTD.	3,000	7,03,500	0.01	0.01
		65,29,23,627	**7.49**	**7.64**
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
CIPLA LTD.	1,14,494	9,33,24,059	1.07	1.09
LUPIN LTD.	91,025	9,28,86,461	1.07	1.09
SUN PHARMACEUTICAL INDUSTRIES LTD.	1,47,910	8,84,20,598	1.01	1.03
CADILA HEALTHCARE LTD.	1,88,500	8,31,09,650	0.95	0.97
DIVIS LABORATORIES LTD.	22,726	8,23,31,753	0.94	0.96
DR. REDDYS LABORATORIES LTD.	17,078	7,71,24,248	0.88	0.90
		51,71,96,769	**5.92**	**6.04**

Annexure - B

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	20.8641	30.1868	Closing NAV as on 1st April of the Current F Y
	High	39.0293	31.4332	Highest NAV during the F Y
	Low	20.4736	19.3238	Lowest NAV during the F Y
	End	37.4794	21.6868	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	87,155.72	37,004.23	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	61,820.43	41,653.04	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	51.08%	4.49%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0242%	0.0190%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0117%	0.0117%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	50.33%	-32.06%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	3.76%	7.79%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	72.82%	-27.81%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	12.11%	-3.22%	
	Last 5 Years	14.00%	0.77%	
	Last 10 Years	10.63%	5.59%	
	Since Launch of the scheme (21st May, 2009)	11.78%	7.38%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Scheme E – Tier II

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Scheme E TIER II (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.4,74,838 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs. 6,41,473) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CNK & ASSOCIATES LLP MUMBAI Chartered Accountants

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration
No.:101961W/W-100036

C N K & ASSOCIATES LLP * MUMBAI * Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052
UDIN 21100052AAAAEF4188
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	14 32 49 313	12 20 84 726
Reserves and Surplus	2	29 80 64 397	9 41 79 054
Current Liabilities and Provisions	3	24 36 578	14 64 535
Total		**44 37 50 288**	**21 77 28 315**
Assets			
Investments	4	44 35 58 931	21 76 81 436
Deposits	5	-	-
Other Current Assets	6	1 91 357	46 879
Total		**44 37 50 288**	**21 77 28 315**
(a) Net assets as per Balance Sheets		44 13 13 710	21 62 63 780
(b) Number of units outstanding		1 43 24 931	1 22 08 473
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

Date: 27/04/2021
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		41 65 934	36 29 269
Interest		2 295	2 215
Profit on sale/redemption of investments		64 00 990	24 54 024
Profit on inter-scheme transfer/sale of investments		45 791	-
Unrealized gain on appreciation in investments		16 41 77 061	36 96 443
Other income			
- Miscellaneous Income		8	203
Total Income (A)		**17 47 92 079**	**97 82 154**
Expenses and Losses			
Unrealized losses in value of investments		3 13 448	8 72 12 038
Loss on sale/redemption of investments		35 53 315	13 38 042
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		38 704	30 578
NPS Trust fees		16 400	8 866
Custodian fees (including GST)		10 007	6 743
Depository and settlement charges (including GST)		1 872	2 713
Stamp Duty on Bond/Mutual Fund		14 550	-
CRA Fees		65 368	48 851
Less: Amount recoverable on sale of units on account of CRA Charges		(65 368)	(48 851)
Provision for Non-Performing Assets		-	-
Other Expenses		25	9
Total Expenditure (B)		**39 48 321**	**8 85 98 989**
Surplus/(Deficit) for the year (A-B)		**17 08 43 758**	**(7 88 16 835)**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(16 38 63 613)	8 35 15 595
Less: Amount transferred (to) / from General Reserve		(69 80 145)	(46 98 760)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	12 20 84 726	9 51 80 350
Add :Units issued during the year	7 12 54 503	5 56 02 624
Less: Units redeemed during the year	(5 00 89 916)	(2 86 98 248)
Outstanding at the end of the year	**14 32 49 313**	**12 20 84 726**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	1 22 08 473	95 18 035
Add :Units issued during the year	71 25 450	55 60 263
Less: Units redeemed during the year	(50 08 992)	(28 69 825)
Outstanding units at the end of the year	**1 43 24 931**	**1 22 08 473**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	10 88 94 142	7 38 22 148
Add: Premium on Units issued	10 99 49 503	7 43 35 807
Less: Premium on Units redeemed	(7 69 07 918)	(3 92 63 813)
Add: Transfer from General Reserve	-	-
Closing Balance	**14 19 35 727**	**10 88 94 142**
General Reserve		
Opening Balance	1 67 95 782	1 20 97 022
Add: Transfer from Revenue Account	69 80 145	46 98 760
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**2 37 75 927**	**1 67 95 782**
Unrealised Appreciation Account		
Opening Balance	(3 15 10 870)	5 20 04 725
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	16 38 63 613	(8 35 15 595)
Closing Balance	**13 23 52 743**	**(3 15 10 870)**
Total	**29 80 64 397**	**9 41 79 054**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	17 368	11 409
Book Overdraft	-	-
Redemption Payable	24 18 861	14 52 857
TDS Payable	349	269
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**24 36 578**	**14 64 535**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	43 36 94 038	21 16 13 126
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	44 778
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	98 64 893	60 23 532
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
Total	**44 35 58 931**	**21 76 81 436**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	-	-
Total	-	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	33 930	7 380
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	-	2 049
Dividend Receivable	1 57 427	37 450
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	**1 91 357**	**46 879**

C.N.K. & Associates LLP MUMBAI Chartered Accountants

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Scheme E - Tier II

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.





3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 14th December, 2009.

3. **Investment pattern to be followed as per PFRDA Regulations:**

(a) Shares of body corporates listed on Bombay Stock Exchange (BSE) or National Stock Exchange (NSE), which have:
   (i) Market Capitalisation of not less than Rs. 5000 croroe as on the date of investment;
   (ii) And derivatives with the shares as underlying traded in the either of the two stock exchange.

(b) Units of Mutual funds regulated by the Securities and Exchange Board of India, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE.

(c) Exchange Traded Funds (ETFs) / Index Funds regulated by the Securities and Exchange Board of India that replicate the portfolio of either BSE Index of NSE Nifty 50 Index.

(d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.

(e) Exchange traded derivatives regulated by Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.

Provided that the portfolio invested in derivatives in terms of contract value shall not be in excess of 5% of the total portfolio invested in sub - categories (a) to (d) above.

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**

a. Investments are accounted on trade date.

b. Cost is determined on the basis of weighted average cost.

c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.

d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.

e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.

f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.

g. Investments are reconciled with the custodian records on daily basis.

h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

Investments are valued using the price determined in the following manner:

A) Valuation of Equity and Equity related Instruments

a. Equity:

i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.

ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.

b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

B) Valuatiuon of Debt Instruments

I) Valuation Policy up to 31st December, 2019

a. Debentures, corporate bonds, commercial papers and certificate of deposits:

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) <u>Valuation Policy w.e.f 1st January 2020</u>

a) **Valuation of Debt Securities (other than government securities)**
Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

c) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):
In the cases of securities below BBB -, the same are valued as below:
All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/ depreciation is recognised in Revenue Account.

7. Income Recognition:
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit / Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 38,704	₹ 30,578

* excluding GST

** including GST





E. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 14324925.1654 and the balance 5.9438 have been identified as residual units with CRA.

F. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 16,400	₹ 8,866

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
44.63	136.02	38.54	117.46	63.53	245.01	56.86	219.29

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ NIL. (Previous Year ₹ 44,778).

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st Match, 2021	As on 31st Match, 2020
₹ 30.8073	₹ 17.7142

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
17.48	53.27	0.39	1.20	0.98	3.77	8.86	34.17

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. Contingent liability as on 31st March, 2021 is ₹ 9,58,777 towards uncalled amount of ₹ 942.75 per shares on 1,017 Partly Paid shares of Reliance Industries Limited. (Previous Year ₹ 1,15,250).

N. The bond 8% Britannia Industries Limited 28/08/2022 was received as bonus against our equity holding in Britannia Industries Limited.

O. **Other disclosures:**

Particulars	Current Year	Previous Year
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

P. **Investment in associates and group companies**: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 8.55	₹ 0.56	₹ 56.22	₹ 0.60

Q. **Details of Net Unrealized Gains / (Losses) for the period are given below:**

₹ in Crores

Particular	Current Year	Previous Year
Net Unrealized Gains / (Losses)	₹ 16.39	₹ (8.35)

R. **Portfolio**: Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is given in Annexure A.

S. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure B.

T. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

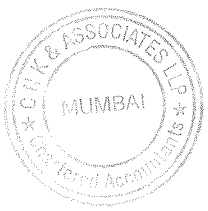
Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

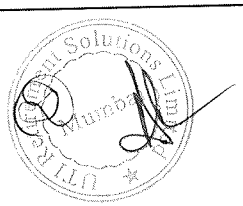
Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

ANNEXURE A

Industry wise classification where industry explosure % to total explosure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	52,992	3,08,46,643	6.99	7.11
HDFC BANK LTD.	20,090	3,00,07,429	6.80	6.92
AXIS BANK LTD.	23,328	1,62,70,114	3.69	3.75
KOTAK MAHINDRA BANK LTD.	9,260	1,62,32,780	3.68	3.74
STATE BANK OF INDIA	44,184	1,60,96,231	3.65	3.71
INDUSIND BANK LTD.	6,916	66,00,976	1.50	1.52
BANK OF BARODA	11,270	8,35,107	0.19	0.19
IDFC BANK LIMITED	5,000	2,78,500	0.06	0.06
YES BANK	2,622	40,903	0.01	0.01
		11,72,08,683	**26.57**	**27.01**
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	27,066	3,70,27,641	8.39	8.54
TATA CONSULTANCY SERVICES LTD.	6,854	2,17,80,984	4.94	5.02
WIPRO LTD.	14,100	58,39,515	1.32	1.35
TECH MAHINDRA LTD.	5,201	51,56,531	1.17	1.19
HCL TECHNOLOGIES LIMITED	3,612	35,49,332	0.80	0.82
		7,33,54,003	**16.62**	**16.92**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	16,076	3,12,73,721	7.09	7.21
BHARAT PETROLEUM CORPORATION LTD.	6,658	28,49,291	0.65	0.66
INDIAN OIL CORPORATION LTD.	7,240	6,64,994	0.15	0.15
HINDUSTAN PETROLEUM CORPORATION LTD.	250	58,625	0.01	0.01
		3,48,46,631	**7.90**	**8.03**
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
LUPIN LTD.	5,182	52,87,972	1.20	1.22
SUN PHARMACEUTICAL INDUSTRIES LTD.	8,489	50,74,724	1.15	1.17
DIVIS LABORATORIES LTD.	1,240	44,92,272	1.02	1.04
CADILA HEALTHCARE LTD.	10,170	44,83,953	1.02	1.03
CIPLA LTD.	5,316	43,33,072	0.98	1.00
DR. REDDYS LABORATORIES LTD.	750	33,87,000	0.77	0.78
		2,70,58,993	**6.14**	**6.24**





Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Scheme E – Tier II

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	17.0269	24.6267	Closing NAV as on 1st April of the Current F Y
	High	32.0358	25.7275	Highest NAV during the F Y
	Low	16.6958	15.8138	Lowest NAV during the F Y
	End	30.8073	17.7142	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	4,413.14	2,162.64	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	3,281.51	2,592.95	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	53.27%	3.77%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0248%	0.0189%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0117%	0.0117%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	52.06%	-30.40%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	7.65%	4.10%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	73.91%	-27.67%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	12.61%	-3.00%	
	Last 5 Years	14.14%	0.81%	
	Last 10 Years	10.80%	5.85%	
	Since Launch of the scheme (14th December, 2009)	10.47%	5.71%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme C TIER I (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.94,82,290 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs.84,78,762) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and /fee raised by different entities are in accordance with the prescribed fee. Claims

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	154 39 20 083	112 80 00 217
Reserves and Surplus	2	295 55 06 273	186 62 16 902
Current Liabilities and Provisions	3	46 21 540	46 27 392
Total		**450 40 47 896**	**299 88 44 511**
Assets			
Investments	4	437 49 67 590	291 80 64 262
Deposits	5	14 45 000	-
Other Current Assets	6	12 76 35 306	8 07 80 249
Total		**450 40 47 896**	**299 88 44 511**
(a) Net assets as per Balance Sheets		449 94 26 356	299 42 17 119
(b) Number of units outstanding		15 43 92 008	11 28 00 021
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

Date: 27/04/2021
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		-	-
Interest		25 00 48 226	18 48 78 697
Profit on sale/redemption of investments		23 54 013	20 52 987
Profit on inter-scheme transfer/sale of investments		55 21 036	-
Unrealized gain on appreciation in investments		7 15 43 143	11 40 67 674
Other income			
- Miscellaneous Income		4 992	41
Total Income (A)		**32 94 71 410**	**30 09 99 399**
Expenses and Losses			
Unrealized losses in value of investments		1 08 31 069	66 50 957
Loss on sale/redemption of investments		-	34 928
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		4 19 045	2 94 831
NPS Trust fees		1 77 561	87 047
Custodian fees (including GST)		1 20 514	74 778
Depository and settlement charges (including GST)		21 487	29 553
Stamp Duty on Bond/Mutual Fund		1 97 066	-
CRA Fees		18 24 886	17 86 468
Less: Amount recoverable on sale of units on account of CRA Charges		(18 24 886)	(17 86 468)
Provision for Non-Performing Assets		7 50 000	4 20 00 000
Other Expenses		-	4 602
Total Expenditure (B)		**1 25 16 742**	**4 91 76 696**
Surplus/(Deficit) for the year (A-B)		**31 69 54 668**	**25 18 22 703**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(6 07 12 074)	(10 74 16 717)
Less: Amount transferred (to) / from General Reserve		(25 62 42 594)	(14 44 05 986)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
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DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	112 80 00 217	90 05 68 673
Add :Units issued during the year	53 63 58 983	32 61 74 357
Less: Units redeemed during the year	(12 04 39 117)	(9 87 42 813)
Outstanding at the end of the year	**154 39 20 083**	**112 80 00 217**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	11 28 00 021	9 00 56 867
Add :Units issued during the year	5 36 35 898	3 26 17 435
Less: Units redeemed during the year	(1 20 43 912)	(98 74 281)
Outstanding units at the end of the year	**15 43 92 008**	**11 28 00 021**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	129 46 42 571	94 30 58 678
Add: Premium on Units issued	99 20 48 860	50 21 20 223
Less: Premium on Units redeemed	(21 97 14 157)	(15 05 36 330)
Add: Transfer from General Reserve	-	-
Closing Balance	**206 69 77 274**	**129 46 42 571**
General Reserve		
Opening Balance	45 85 01 392	31 40 95 406
Add: Transfer from Revenue Account	25 62 42 594	14 44 05 986
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**71 47 43 986**	**45 85 01 392**
Unrealised Appreciation Account		
Opening Balance	11 30 72 939	56 56 222
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	6 07 12 074	10 74 16 717
Closing Balance	**17 37 85 013**	**11 30 72 939**
Total	**295 55 06 273**	**186 62 16 902**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	1 80 009	1 22 965
Book Overdraft	-	-
Redemption Payable	44 37 796	45 01 118
TDS Payable	3 735	3 309
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**46 21 540**	**46 27 392**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	426 34 76 347	283 26 01 175
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	11 14 91 243	8 54 63 087
Non Convertible Debentures classified as NPA	4 20 00 000	4 12 50 000
Less: Provision on Non performing investment	(4 20 00 000)	(4 12 50 000)
Total	**437 49 67 590**	**291 80 64 262**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	14 45 000	-
Total	14 45 000	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	-	-
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	47 17 750	47 17 750
Less: Provision for interest on Non-Performing Investment	(47 17 750)	(47 17 750)
Outstanding and accrued income	12 76 35 306	8 07 80 249
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	10 00 000	10 00 000
Less: Provision for Non Performing Investment	(10 00 000)	(10 00 000)
Total	**12 76 35 306**	**8 07 80 249**

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme C - Tier I

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. **Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 21st May, 2009.

3. **Investment pattern to be followed as per the PFRDA Regulations:**
   (a) Listed (or proposed to be listed in case of fresh issue) debt securities issued by bodies corporate, including banks and public financial institutions (Public Financial Institutions as defined under Section 2 of the Companies Act, 2013), which have a minimum residual maturity period of three years or less than three years from the date of investment.
   (b) Basel III Tier - 1 Bonds issued by scheduled commercial banks under RBI Guidelines:
   (c) Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank.

(d) Term deposit Receipts of not less than one year duration issued by scheduled commercial banks, which satisfy the following conditions on the basis of published annual report(s) for the most recent years, as required to have been published by them under law:
   (i) Having declared profit in the immediately preceding three financial years;
   (ii) maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%, or mandated by prevailing RBI norms, whichever is higher;
   (iii) having net non-performing assets of not more than 4% of the net advances;
   (iv) having a minimum net worth of not less than Rs. 200 crores.

(e) Units of Debt Mutual Funds as regulated by Securities and Exchange Board of India;

(f) The following infrastructure related debt instruments:
   (i) Listed (or proposed to be listed in case of fresh issue) debt securities issued by body corporates engaged mainly in the business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing.
   (ii) Infrastructure and affordable housing Bonds issued by any scheduled commercial bank, which meets the conditions specified in (ii) (d) above.
   (iii) Listed (or proposed to be listed in case of fresh issue) securities issued by Infrastructure debt funds operating as a Non - Banking Financial Company and regulated by Reserve Bank of India.
   (iv) Listed (or proposed to be listed in case of fresh issue) units issued by Infrastructure Debt Funds operating as a Mutual Fund and regulated by Securities and Exchange Board of India.

   It is further clarified that, barring exceptions mentioned above, for the purpose of this sub - category (f), a sector shall be tr3eated as part of infrastructure as per Government of India's harmonized master list of infrastructure sub - sectors.

(g) Listed and proposed to be listed Credit Rated Municipal Bonds

Provided that the investment under sub - categories (a), (b), (f) (i) to (iv) and (g) of this category no. (ii) shall be made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from

at least two credit rating agencies registered with the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulation, 1999.
Provided further that in case of the sub - category (f) (iii) the rating shall relate to the Non - Banking Financial Company and for the sub - category (f) (iv) the ratings shall relate to the investment in eligible securities rated above investment grade of the scheme of the fund.

Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of all the ratings shall be considered.

Provided further that investments under this category requiring a minimum AA rating, as specified above, shall be permissible in securities having investment grade rating below AA in case the risk of default for such securities is fully covered with Credit Default Swaps (CDSs) issued under Guidelines of the Reserve Bank of India and purchased alongwith the underlying securities. Purchase amount of such Swaps shall be considered to be investment made under this category.

For sub - category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.

It is clarified that debt securities covered under category (i) (b) above are excluded from this category.

Miscellaneous Investments (upto 5%)

(a) Commercial mortgage based Securities or Residential mortgage based securities
(b) Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India.
(c) Asset Backed Securities regulated by the Securities and Exchange Board of India.
(d) Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India.

Provided that investment under this category shall only be in listed infrastructure or fresh issues that are proposed to be listed.

Provided further that investment under this category shall be made only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999.

Provided further that in case of the sub - category (a) and (d) the rating shall relate to the rating of the sponsor entity floating the trust. Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of the ratings shall be considered.

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**

a. Investments are accounted on trade date.
b. Cost is determined on the basis of weighted average cost.
c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
g. Investments are reconciled with the custodian records on daily basis.

h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

Investments are valued using the price determined in the following manner:

A) **Valuation of Debt Instruments**

I) **Valuation Policy up to 31st December, 2019**

a. **Debentures, corporate bonds, commercial papers and certificate of deposits:**

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**
Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

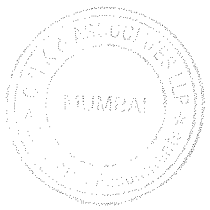
b) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

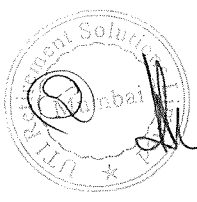
Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):
In the cases of securities below BBB -, the same are valued as below:
All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Non Performing Investments:**
Investments are classified as non-performing based on PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013. An investment is regarded as non-performing if interest / principal or both amounts have not been received or remained outstanding for one quarter from the day such income / instrument has fallen due.





Provisions are made for Non-performing investments as per the extant guidelines prescribed by PFRDA as shown below:

Period past due from the date of classification of assets as NPA	% Provision On Book Value
3 Months	50%
6 Months	75%
9 Months	100%

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

Re-schedulement of NPA:
In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.
ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

8. **Income Recognition:**
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit /Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

9. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

10. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 154391937.8481 and the balance 70.0568 have been identified as residual units with CRA.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 4,19,045	₹ 2,94,831

* excluding GST
** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 1,77,561	₹ 87,047

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
636.21	178.99	485.84	136.68	489.80	195.91	408.88	163.54

H. The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ 171.46 Crores. (Previous Year ₹ 107.10 Crores).

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 29.1428	₹ 26.5444

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
32.95	9.27	1.25	0.35	30.10	12.04	4.92	1.97

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. **Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 31st March, 2021 is as under:

Particular	As on 31st March, 2021****	As on 31st March, 2020****
Book Value (₹)	4,30,00,000	4,22,50,000
Provision for NPA (₹)	4,30,00,000	4,22,50,000
Carrying Cost (₹)	-	-
Market Value (₹)***	-	-
% of NPA (Gross) to AUM	0.96	1.41

*** Investment is not traded, hence market value is not ascertainable.

**** As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited.

N. **Other disclosures:**

Particulars	Current Year	Previous Year
Contingent liabilities	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

O. **Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 129.03	₹ 9.65	₹ 414.84	₹ 8.55

P. **Portfolio**: Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is given in Annexure A.

Q. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure B.

R. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

ANNEXURE A

Industry wise classification where industry explosure % to total explosure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	26,70,000	28,16,80,032	6.26	6.54
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	26,00,000	27,06,37,568	6.01	6.29
HOUSING AND URBAN DEVELOPMENT CORPORATION	11,60,000	12,81,76,605	2.85	2.98
NATIONAL HOUSING BANK	3,80,000	3,92,78,092	0.87	0.91
		71,97,72,297	**15.99**	**16.72**
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	33,40,000	35,25,16,083	7.83	8.19
ICICI BANK LTD.	12,60,000	13,28,34,396	2.95	3.09
HDFC BANK LTD.	10,10,000	10,83,51,275	2.41	2.52
YES BANK	1,00,000	93,90,460	0.21	0.22
IDFC BANK LIMITED	90,000	92,24,269	0.21	0.21
KOTAK MAHINDRA BANK LTD.	80,000	82,67,592	0.18	0.19
PUNJAB NATIONAL BANK	20,000	20,57,962	0.05	0.05
		62,26,42,037	**13.84**	**14.47**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	24,20,000	26,19,57,004	5.82	6.08
INDIAN OIL CORPORATION LTD.	21,80,000	21,48,31,992	4.77	4.99
		47,67,88,996	**10.59**	**11.07**
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	30,70,000	32,31,01,981	7.18	7.50
EXPORT IMPORT BANK OF INDIA	13,60,000	14,53,04,646	3.23	3.37
		46,84,06,627	**10.41**	**10.87**
PASSENGER RAIL TRANSPORT				
INDIAN RAILWAY FINANCE CORPORATION LTD.	40,40,000	42,14,87,135	9.37	9.79
		42,14,87,135	**9.37**	**9.79**
CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	38,20,000	39,45,60,395	8.77	9.16
		39,45,60,395	**8.77**	**9.16**
ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS				
NATIONAL THERMAL POWER CORPORATION LTD.	35,30,000	35,76,17,597	7.95	8.31
		35,76,17,597	**7.95**	**8.31**
OTHER CREDIT GRANTING				
RURAL ELECTRIFICATION CORPORATION LIMITED	14,20,000	15,07,32,139	3.35	3.50
POWER FINANCE CORPORATION LTD.	8,90,000	9,38,64,573	2.09	2.18
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	50,000	52,16,690	0.12	0.12
		24,98,13,402	**5.56**	**5.80**

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	26.5500	24.0274	Closing NAV as on 1st April of the Current F Y
	High	29.2860	26.5514	Highest NAV during the F Y
	Low	25.9709	23.7857	Lowest NAV during the F Y
	End	29.1428	26.5444	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	44,994.26	29,942.17	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	35,544.85	25,001.51	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	9.27%	12.04%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0263%	0.0194%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0117%	0.0117%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	8.92%	10.07%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	4.30%	1.68%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	9.79%	10.50%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	9.19%	7.90%	
	Last 5 Years	9.09%	8.90%	
	Last 10 Years	9.88%	9.82%	
	Since Launch of the scheme (21st May, 2009)	9.43%	9.40%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Scheme C – Tier II

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Scheme C TIER II (the Scheme)** managed by **UTI Retirement Solutions Ltd. (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

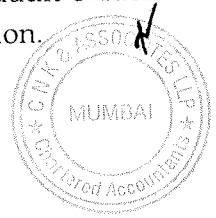
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.5,37,286 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs.4,55,650) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due

to fraud or error.
In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant

deficiencies in internal control that we identify during our audit.
We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188

Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	7 48 34 371	6 48 35 072
Reserves and Surplus	2	13 39 38 540	10 05 71 386
Current Liabilities and Provisions	3	5 24 716	23 91 751
Total		**20 92 97 627**	**16 77 98 209**
Assets			
Investments	4	20 29 97 442	16 28 28 467
Deposits	5	84 500	-
Other Current Assets	6	62 15 685	49 69 742
Total		**20 92 97 627**	**16 77 98 209**
(a) Net assets as per Balance Sheets		20 87 72 911	16 54 06 458
(b) Number of units outstanding		74 83 437	64 83 507
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		-	-
Interest		1 29 77 183	1 09 91 091
Profit on sale/redemption of investments		1 32 253	1 55 693
Profit on inter-scheme transfer/sale of investments		2 05 882	-
Unrealized gain on appreciation in investments		41 38 162	61 68 941
Other income			
- Miscellaneous Income		230	9
Total Income (A)		**1 74 53 710**	**1 73 15 734**
Expenses and Losses			
Unrealized losses in value of investments		10 42 716	6 50 401
Loss on sale/redemption of investments		-	1 738
Loss on inter-scheme transfer/sale of investments		58 217	-
Management fees (including GST)		21 601	17 478
NPS Trust fees		9 153	5 135
Custodian fees (including GST)		6 279	4 446
Depository and settlement charges (including GST)		1 827	2 416
Stamp Duty on Bond/Mutual Fund		10 756	-
CRA Fees		29 188	25 216
Less: Amount recoverable on sale of units on account of CRA Charges		(29 188)	(25 216)
Provision for Non-Performing Assets		7 50 000	11 50 000
Other Expenses		2	203
Total Expenditure (B)		**19 00 551**	**18 31 817**
Surplus/(Deficit) for the year (A-B)		**1 55 53 159**	**1 54 83 917**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(30 95 446)	(55 18 540)
Less: Amount transferred (to) / from General Reserve		(1 24 57 713)	(99 65 377)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

Date: 27/04/2021
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	6 48 35 072	5 61 31 569
Add :Units issued during the year	3 67 11 846	2 82 64 536
Less: Units redeemed during the year	(2 67 12 547)	(1 95 61 033)
Outstanding at the end of the year	**7 48 34 371**	**6 48 35 072**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	64 83 507	56 13 157
Add :Units issued during the year	36 71 185	28 26 453
Less: Units redeemed during the year	(26 71 255)	(19 56 103)
Outstanding units at the end of the year	**74 83 437**	**64 83 507**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	5 58 11 677	4 36 45 133
Add: Premium on Units issued	6 34 88 545	4 02 97 872
Less: Premium on Units redeemed	(4 56 74 550)	(2 81 31 328)
Add: Transfer from General Reserve	-	-
Closing Balance	**7 36 25 672**	**5 58 11 677**
General Reserve		
Opening Balance	3 86 24 831	2 86 59 454
Add: Transfer from Revenue Account	1 24 57 713	99 65 377
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**5 10 82 544**	**3 86 24 831**
Unrealised Appreciation Account		
Opening Balance	61 34 878	6 16 338
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	30 95 446	55 18 540
Closing Balance	**92 30 324**	**61 34 878**
Total	**13 39 38 540**	**10 05 71 386**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	9 174	7 271
Book Overdraft	-	-
Redemption Payable	5 15 362	23 84 292
TDS Payable	180	188
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**5 24 716**	**23 91 751**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	19 72 03 180	16 04 27 262
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	57 94 262	24 01 205
Non Convertible Debentures classified as NPA	19 00 000	11 50 000
Less: Provision on Non performing investment	(19 00 000)	(11 50 000)
Total	**20 29 97 442**	**16 28 28 467**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	84 500	-
Total	84 500	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	1	-
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	1 97 705	1 97 705
Less: Provision for interest on Non-Performing Investment	(1 97 705)	(1 97 705)
Outstanding and accrued income	62 15 684	49 69 742
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	**62 15 685**	**49 69 742**

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Scheme C - Tier II

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instruct Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 14th December, 2009.

3. **Investment pattern to be followed as per the PFRDA Regulations:**
   (a) Listed (or proposed to be listed in case of fresh issue) debt securities issued by bodies corporate, including banks and public financial institutions (Public Financial Institutions as defined under Section 2 of the Companies Act, 2013), which have a minimum residual maturity period of three years or less than three years from the date of investment.
   (b) Basel III Tier - 1 Bonds issued by scheduled commercial banks under RBI Guidelines:
   (c) Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank.

(d) Term deposit Receipts of not less than one year duration issued by scheduled commercial banks, which satisfy the following conditions on the basis of published annual report(s) for the most recent years, as required to have been published by them under law:
   (i) Having declared profit in the immediately preceding three financial years;
   (ii) maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%, or mandated by prevailing RBI norms, whichever is higher;
   (iii) having net non-performing assets of not more than 4% of the net advances;
   (iv) having a minimum net worth of not less than Rs. 200 crores.

(e) Units of Debt Mutual Funds as regulated by Securities and Exchange Board of India;

(f) The following infrastructure related debt instruments:
   (i) Listed (or proposed to be listed in case of fresh issue) debt securities issued by body corporates engaged mainly in the business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing.
   (ii) Infrastructure and affordable housing Bonds issued by any scheduled commercial bank, which meets the conditions specified in (ii) (d) above.
   (iii) Listed (or proposed to be listed in case of fresh issue) securities issued by Infrastructure debt funds operating as a Non - Banking Financial Company and regulated by Reserve Bank of India.
   (iv) Listed (or proposed to be listed in case of fresh issue) units issued by Infrastructure Debt Funds operating as a Mutual Fund and regulated by Securities and Exchange Board of India.

   It is further clarified that, barring exceptions mentioned above, for the purpose of this sub - category (f), a sector shall be tr3eated as part of infrastructure as per Government of India's harmonized master list of infrastructure sub - sectors.

(g) Listed and proposed to be listed Credit Rated Municipal Bonds

Provided that the investment under sub - categories (a), (b), (f) (i) to (iv) and (g) of this category no. (ii) shall be made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from

at least two credit rating agencies registered with the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulation, 1999.

Provided further that in case of the sub - category (f) (iii) the rating shall relate to the Non - Banking Financial Company and for the sub - category (f) (iv) the ratings shall relate to the investment in eligible securities rated above investment grade of the scheme of the fund.

Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of all the ratings shall be considered.

Provided further that investments under this category requiring a minimum AA rating, as specified above, shall be permissible in securities having investment grade rating below AA in case the risk of default for such securities is fully covered with Credit Default Swaps (CDSs) issued under Guidelines of the Reserve Bank of India and purchased alongwith the underlying securities. Purchase amount of such Swaps shall be considered to be investment made under this category.

For sub - category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.

It is clarified that debt securities covered under category (i) (b) above are excluded from this category.

Miscellaneous Investments (upto 5%)

(a) Commercial mortgage based Securities or Residential mortgage based securities
(b) Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India.
(c) Asset Backed Securities regulated by the Securities and Exchange Board of India.
(d) Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India.

Provided that investment under this category shall only be in listed infrastructure or fresh issues that are proposed to be listed.

Provided further that investment under this category shall be made only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999.

Provided further that in case of the sub - category (a) and (d) the rating shall relate to the rating of the sponsor entity floating the trust. Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of the ratings shall be considered.

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**

a. Investments are accounted on trade date.
b. Cost is determined on the basis of weighted average cost.
c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
g. Investments are reconciled with the custodian records on daily basis.
h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

Investments are valued using the price determined in the following manner:

A) <u>Valuation of Debt Instruments</u>

I) <u>Valuation Policy up to 31st December, 2019</u>

a. **Debentures, corporate bonds, commercial papers and certificate of deposits:**

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**
Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**
   a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
   b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
   c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

b) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Non Performing Investments:**

Investments are classified as non-performing based on PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013. An investment is regarded as non-performing if interest / principal or both amounts have not been received or remained outstanding for one quarter from the day such income / instrument has fallen due.

Provisions are made for Non-performing investments as per the extant guidelines prescribed by PFRDA as shown below:

Period past due from the date of classification of assets as NPA	% Provision On Book Value
3 Months	50%
6 Months	75%
9 Months	100%

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

Re-schedulement of NPA:

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.

ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

8. **Income Recognition:**

a. Dividend income is accrued on the "ex-dividend" date.

b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.

c. Other income of miscellaneous nature is accounted for when there is certainty of collection.

d. Interest on Fixed Deposits is accounted on accrual basis.

e. Profit /Loss of sale of Investment

1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

9. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

10. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 7483431.3785 and the balance 5.4901 have been identified as residual units with CRA.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 21,601	₹ 17,478

* excluding GST
** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 9,153	₹ 5,135

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
27.94	152.54	23.54	128.56	37.90	255.81	34.05	229.81

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ 9.55 Crores. (Previous Year ₹ 7.42 Crore).

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 27.8979	₹ 25.5118

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
1.75	9.53	0.19	1.04	1.73	11.69	0.18	1.24

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. Non-Performing Assets:

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 31st March, 2021 is as under:

Particular	As on 31st March, 2021****	As on 31st March, 2020****
Book Value (₹)	19,00,000	11,50,000
Provision for NPA (₹)	19,00,000	11,50,000
Carrying Cost (₹)	-	-
Market Value (₹)***	-	-
% of NPA (Gross) to AUM	0.91	0.70

*** Investment is not traded, hence market value is not ascertainable.

**** As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited.

N. Other disclosures:

Particulars	Current Year	Previous Year
Contingent liabilities	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

O. Investment in associates and group companies: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 9.15	₹ 0.58	₹ 34.13	₹ 0.24

P. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is given in Annexure A.

Q. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure B.

R. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

ANNEXURE A

Industry wise classification where industry explosure % to total explosure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	1,40,000	1,49,75,110	7.17	7.52
HDFC BANK LTD.	90,000	96,42,675	4.62	4.84
ICICI BANK LTD.	80,000	85,51,141	4.10	4.29
KOTAK MAHINDRA BANK LTD.	10,000	10,33,449	0.50	0.52
IDFC BANK LIMITED	10,000	10,29,741	0.49	0.52
		3,52,32,116	**16.88**	**17.69**
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	1,50,000	1,58,08,020	7.57	7.94
HOUSING AND URBAN DEVELOPMENT CORPORATION	80,000	87,74,747	4.20	4.41
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	70,000	72,48,031	3.47	3.64
NATIONAL HOUSING BANK	20,000	20,67,268	0.99	1.04
		3,38,98,066	**16.23**	**17.03**
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	1,60,000	1,68,15,164	8.05	8.45
EXPORT IMPORT BANK OF INDIA	40,000	42,48,385	2.03	2.13
		2,10,63,549	**10.08**	**10.58**
OTHER CREDIT GRANTING				
RURAL ELECTRIFICATION CORPORATION LIMITED	90,000	93,51,998	4.48	4.70
POWER FINANCE CORPORATION LTD.	80,000	84,93,917	4.07	4.27
		1,78,45,915	**8.55**	**8.97**
CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	1,70,000	1,75,89,111	8.42	8.83
		1,75,89,111	**8.42**	**8.83**
PASSENGER RAIL TRANSPORT				
INDIAN RAILWAY FINANCE CORPORATION LTD.	1,60,000	1,67,76,266	8.04	8.43
		1,67,76,266	**8.04**	**8.43**
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	1,22,000	1,30,55,041	6.25	6.56
		1,30,55,041	**6.25**	**6.56**
ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS				
NATIONAL THERMAL POWER CORPORATION LTD.	1,00,000	1,02,89,705	4.93	5.17
		1,02,89,705	**4.93**	**5.17**

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Scheme C – Tier II

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	25.5172	22.9959	Closing NAV as on 1st April of the Current F Y
	High	27.9992	25.5453	Highest NAV during the F Y
	Low	24.9990	22.7938	Lowest NAV during the F Y
	End	27.8979	25.5118	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	2,087.73	1,654.06	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	1,831.35	1,481.69	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	9.53%	11.69%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0271%	0.0199%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0117%	0.0117%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	8.49%	10.45%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	6.65%	3.37%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	9.35%	10.96%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	9.23%	8.14%	
	Last 5 Years	9.08%	8.92%	
	Last 10 Years	9.90%	9.73%	
	Since Launch of the scheme (14th December, 2009)	9.50%	9.52%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme G TIER I (the Scheme)** managed by **UTI Retirement Solutions Limited. (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.1,42,97,630 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs.1,28,06,816) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fees.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEE4188
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	294 67 82 662	188 92 97 599
Reserves and Surplus	2	511 09 96 601	290 11 30 498
Current Liabilities and Provisions	3	1 60 63 039	50 01 691
Total		**807 38 42 302**	**479 54 29 788**
Assets			
Investments	4	796 32 34 971	472 08 10 219
Deposits	5	-	-
Other Current Assets	6	11 06 07 331	7 46 19 569
Total		**807 38 42 302**	**479 54 29 788**
(a) Net assets as per Balance Sheets		805 77 79 263	479 04 28 097
(b) Number of units outstanding		29 46 78 266	18 89 29 760
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

Date: 27/04/2021
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		-	-
Interest		39 33 08 186	28 28 20 312
Profit on sale/redemption of investments		1 38 28 458	31 11 794
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		4 08 32 849	23 25 11 632
Other income			
- Miscellaneous Income		185	58
Total Income (A)		**44 79 69 678**	**51 84 43 796**
Expenses and Losses			
Unrealized losses in value of investments		4 06 20 163	13 97 309
Loss on sale/redemption of investments		2 400	48 705
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		6 83 871	4 63 965
NPS Trust fees		2 89 775	1 37 801
Custodian fees (including GST)		1 94 050	1 15 667
Depository and settlement charges (including GST)		69 658	56 593
Stamp Duty on Bond/Mutual Fund		2 72 221	-
CRA Fees		28 78 992	26 95 224
Less: Amount recoverable on sale of units on account of CRA Charges		(28 78 992)	(26 95 224)
Provision for Non-Performing Assets		-	-
Other Expenses		10	6
Total Expenditure (B)		**4 21 32 148**	**22 20 046**
Surplus/(Deficit) for the year (A-B)		**40 58 37 530**	**51 62 23 750**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(2 12 686)	(23 11 14 323)
Less: Amount transferred (to) / from General Reserve		(40 56 24 844)	(28 51 09 427)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	188 92 97 599	148 72 99 058
Add :Units issued during the year	124 33 35 898	54 16 97 352
Less: Units redeemed during the year	(18 58 50 835)	(13 96 98 811)
Outstanding at the end of the year	**294 67 82 662**	**188 92 97 599**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	18 89 29 760	14 87 29 906
Add :Units issued during the year	12 43 33 590	5 41 69 735
Less: Units redeemed during the year	(1 85 85 084)	(1 39 69 881)
Outstanding units at the end of the year	**29 46 78 266**	**18 89 29 760**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	191 31 31 997	133 75 09 916
Add: Premium on Units issued	211 89 43 468	77 02 95 329
Less: Premium on Units redeemed	(31 49 14 895)	(19 46 73 248)
Add: Transfer from General Reserve	-	-
Closing Balance	**371 71 60 570**	**191 31 31 997**
General Reserve		
Opening Balance	74 87 08 499	46 35 99 072
Add: Transfer from Revenue Account	40 56 24 844	28 51 09 427
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**115 43 33 343**	**74 87 08 499**
Unrealised Appreciation Account		
Opening Balance	23 92 90 002	81 75 679
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	2 12 686	23 11 14 323
Closing Balance	**23 95 02 688**	**23 92 90 002**
Total	**511 09 96 601**	**290 11 30 498**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	3 26 251	1 98 957
Book Overdraft	-	-
Redemption Payable	1 57 29 489	47 97 331
TDS Payable	7 299	5 403
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**1 60 63 039**	**50 01 691**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	785 44 06 887	456 36 82 279
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	10 88 28 084	15 71 27 940
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
Total	**796 32 34 971**	**472 08 10 219**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	-	-
Total	-	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	1	1
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	10 05 81 243	7 11 09 960
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	1 00 26 087	35 09 608
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	**11 06 07 331**	**7 46 19 569**

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme G - Tier I

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. **Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 21st May, 2009.

3. **Investment pattern to be followed as per PFRDA Regulations:**
   Investments will be in -
   (a) Government of India Bonds
   (b) State Government Bonds

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

   Investments are valued using the price determined in the following manner:

   Valuation of Debt Instruments

   I) **Valuation Policy up to 31st December, 2019**

   a. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

b. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Government Securities:**
   i) **Securities with residual maturity of more than 30 days :** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.
   ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

b) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Income Recognition:**
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Assets is accounted on accrual basis.
   e. Profit / Loss of sale of Investment

1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited /debited to Unit Premium Reserve after each subscription /redemption.

D. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 294678186.7724 and the balance 79.1946 have been identified as residual units with CRA.

Total 0.0038 Units are lying in the name of "UOS Suspense PRAN" maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 6,83,871	₹ 4,63,965

* excluding GST
** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 2,89,775	₹ 1,37,801

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
1,028.13	177.16	697.78	120.24	684.47	173.96	561.29	142.66

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ 87,22,833. (Previous Year ₹ NIL)

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 27.3443	₹ 25.3556

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
44.80	7.72	4.21	0.73	51.84	13.18	0.22	0.06

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. **Other disclosures:**

Particulars	Current Year	Previous Year
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

N. The investment in Food Corporation of India Limited and Mahanagar Telephone Nigam Limited has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

O. **Investment in associates and group companies**: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 182.65	₹ 9.38	₹ 569.39	₹ 15.71

P. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure A.

Q. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	25.3608	22.1694	Closing NAV as on 1st April of the Current F Y
	High	27.7916	25.7186	Highest NAV during the F Y
	Low	24.9113	22.0423	Lowest NAV during the F Y
	End	27.3443	25.3556	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	80,577.79	47,904.28	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	58,033.49	39,345.84	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	7.72%	13.18%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0260%	0.0197%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0117%	0.0117%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	6.99%	13.12%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	3.10%	0.26%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	7.84%	14.40%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	10.23%	8.98%	
	Last 5 Years	9.28%	9.14%	
	Last 10 Years	9.09%	9.55%	
	Since Launch of the scheme (21st May, 2009)	8.85%	8.94%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Scheme G – Tier II

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Scheme G TIER II (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.10,69,624 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs.4,85,694.) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration
No.101961W/W-100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	13 19 22 918	9 26 73 397
Reserves and Surplus	2	23 88 22 891	14 95 68 091
Current Liabilities and Provisions	3	9 78 891	67 48 259
Total		**37 17 24 700**	**24 89 89 747**
Assets			
Investments	4	36 60 59 393	24 47 79 339
Deposits	5	-	-
Other Current Assets	6	56 65 307	42 10 408
Total		**37 17 24 700**	**24 89 89 747**
(a) Net assets as per Balance Sheets		37 07 45 809	24 22 41 488
(b) Number of units outstanding		1 31 92 292	92 67 340
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

Date: 27/04/2021
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		-	-
Interest		2 00 64 955	1 49 32 123
Profit on sale/redemption of investments		2 27 608	2 12 878
Profit on inter-scheme transfer/sale of investments		2 14 664	-
Unrealized gain on appreciation in investments		16 11 760	1 28 31 629
Other income			
- Miscellaneous Income		26	4
Total Income (A)		**2 21 19 013**	**2 79 76 634**
Expenses and Losses			
Unrealized losses in value of investments		33 72 363	1 07 903
Loss on sale/redemption of investments		420	429
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		34 947	24 577
NPS Trust fees		14 808	7 351
Custodian fees (including GST)		9 819	6 047
Depository and settlement charges (including GST)		3 283	3 370
Stamp Duty on Bond/Mutual Fund		15 149	-
CRA Fees		43 071	35 033
Less: Amount recoverable on sale of units on account of CRA Charges		(43 071)	(35 033)
Provision for Non-Performing Assets		-	-
Other Expenses		-	130
Total Expenditure (B)		**34 50 789**	**1 49 807**
Surplus/(Deficit) for the year (A-B)		**1 86 68 224**	**2 78 26 827**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		17 60 603	(1 27 23 726)
Less: Amount transferred (to) / from General Reserve		(2 04 28 827)	(1 51 03 101)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

Date: 27/04/2021
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	9 26 73 397	7 39 05 983
Add :Units issued during the year	7 48 46 032	4 00 33 589
Less: Units redeemed during the year	(3 55 96 511)	(2 12 66 175)
Outstanding at the end of the year	**13 19 22 918**	**9 26 73 397**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	92 67 340	73 90 598
Add :Units issued during the year	74 84 603	40 03 360
Less: Units redeemed during the year	(35 59 651)	(21 26 618)
Outstanding units at the end of the year	**1 31 92 292**	**92 67 340**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	8 82 54 563	6 10 85 045
Add: Premium on Units issued	13 35 78 275	5 89 42 583
Less: Premium on Units redeemed	(6 29 91 699)	(3 17 73 065)
Add: Transfer from General Reserve	-	-
Closing Balance	**15 88 41 139**	**8 82 54 563**
General Reserve		
Opening Balance	4 76 84 684	3 25 81 583
Add: Transfer from Revenue Account	2 04 28 827	1 51 03 101
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**6 81 13 511**	**4 76 84 684**
Unrealised Appreciation Account		
Opening Balance	1 36 28 844	9 05 118
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(17 60 603)	1 27 23 726
Closing Balance	**1 18 68 241**	**1 36 28 844**
Total	**23 88 22 891**	**14 95 68 091**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	15 917	10 555
Book Overdraft	-	-
Redemption Payable	9 62 650	67 37 428
TDS Payable	324	276
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**9 78 891**	**67 48 259**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	36 07 78 599	23 81 96 577
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	52 80 794	65 82 762
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
Total	**36 60 59 393**	**24 47 79 339**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	-	-
Total	-	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	1	-
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	53 63 768	39 09 984
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	3 01 538	3 00 424
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	**56 65 307**	**42 10 408**

NATIONAL PENSION SYSTEM TRUST

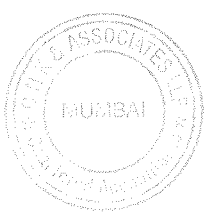
NPS Trust - A/C UTI Retirement Solutions Scheme G - Tier II

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.





3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 14th December, 2009.

3. **Investment pattern to be followed as per PFRDA Regulations:**
   Investments will be in -
   (a) Government of India Bonds
   (b) State Government Bonds

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex -date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

   Investments are valued using the price determined in the following manner:

   Valuation of Debt Instruments

   I) Valuation Policy up to 31st December, 2019

a. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
b. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Government Securities:**
   i) **Securities with residual maturity of more than 30 days :** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.
   ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

b) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Income Recognition:**
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.

d. Interest on Fixed Deposits is accounted on accrual basis.

e. Profit / Loss of sale of Investment

1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

8. **Computation of NAV:** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after.

D. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 13192285.4296 and the balance 6.2189 have been identified as residual units with CRA.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 34,947	₹ 24,577

* excluding GST

** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 14,808	₹ 7,351

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
46.98	158.48	34.19	115.32	57.58	276.30	51.03	244.88

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ NIL. (Previous Year ₹ NIL)

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 28.1032	₹ 26.1392

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
2.21	7.46	0.35	1.16	2.80	13.42	0.01	0.07

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. **Other disclosures:**

Particulars	Current Year	Previous Year
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

N. The investment in Food Corporation of India Limited has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India – Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

O. **Investment in associates and group companies**: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 15.55	₹ 0.53	₹ 51.38	₹ 0.66

P. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure A.

Q. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN : 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date :
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

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Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Scheme G – Tier II

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	26.1447	22.8009	Closing NAV as on 1st April of the Current F Y
	High	28.5505	26.5053	Highest NAV during the F Y
	Low	25.6549	22.6687	Lowest NAV during the F Y
	End	28.1032	26.1392	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	3,707.46	2,422.41	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	2,964.57	2,083.98	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	7.46%	13.42%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0263%	0.0198%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0117%	0.0117%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	6.30%	13.35%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	4.11%	0.00%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	7.51%	14.66%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	10.29%	9.21%	
	Last 5 Years	9.41%	9.37%	
	Last 10 Years	9.13%	10.00%	
	Since Launch of the scheme (14th December, 2009)	9.57%	9.78%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme A Tier I (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

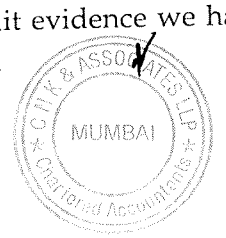
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.95,556 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs.98,386) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration
No.: 101961W/W-100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	2 41 69 443	1 58 58 084
Reserves and Surplus	2	69 29 381	40 43 899
Current Liabilities and Provisions	3	11 01 218	43 187
Total		**3 22 00 042**	**1 99 45 170**
Assets			
Investments	4	3 09 63 279	1 99 45 169
Deposits	5	-	-
Other Current Assets	6	12 36 763	1
Total		**3 22 00 042**	**1 99 45 170**
(a) Net assets as per Balance Sheets		3 10 98 824	1 99 01 983
(b) Number of units outstanding		24 16 944	15 85 808
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

Date: 27/04/2021
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		-	-
Interest		2 00 548	107
Profit on sale/redemption of investments		17 35 270	1 55 440
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		-	7 36 166
Other income			
- Miscellaneous Income		1	-
Total Income (A)		**19 35 819**	**8 91 713**
Expenses and Losses			
Unrealized losses in value of investments		14 10 752	-
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		2 788	1 771
NPS Trust fees		1 181	538
Custodian fees (including GST)		90	-
Depository and settlement charges (including GST)		110	-
Stamp Duty on Bond/Mutual Fund		2 475	-
CRA Fees		20 323	18 972
Less: Amount recoverable on sale of units on account of CRA Charges		(20 323)	(18 972)
Provision for Non-Performing Assets		-	-
Other Expenses		-	11
Total Expenditure (B)		**14 17 396**	**2 320**
Surplus/(Deficit) for the year (A-B)		**5 18 423**	**8 89 393**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		14 10 752	(7 36 166)
Less: Amount transferred (to) / from General Reserve		(19 29 175)	(1 53 227)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	1 58 58 084	96 56 744
Add :Units issued during the year	1 04 23 213	85 65 107
Less: Units redeemed during the year	(21 11 854)	(23 63 767)
Outstanding at the end of the year	**2 41 69 443**	**1 58 58 084**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	15 85 808	9 65 674
Add :Units issued during the year	10 42 321	8 56 511
Less: Units redeemed during the year	(2 11 185)	(2 36 377)
Outstanding units at the end of the year	**24 16 944**	**15 85 808**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	25 88 600	11 91 224
Add: Premium on Units issued	29 61 304	19 25 370
Less: Premium on Units redeemed	(5 94 245)	(5 27 994)
Add: Transfer from General Reserve	-	-
Closing Balance	**49 55 659**	**25 88 600**
General Reserve		
Opening Balance	4 83 954	3 30 727
Add: Transfer from Revenue Account	19 29 175	1 53 227
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**24 13 129**	**4 83 954**
Unrealised Appreciation Account		
Opening Balance	9 71 345	2 35 179
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(14 10 752)	7 36 166
Closing Balance	**(4 39 407)**	**9 71 345**
Total	**69 29 381**	**40 43 899**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	1 055	563
Book Overdraft	-	-
Redemption Payable	21 958	42 607
TDS Payable	33	17
Contracts for purchase of investments	10 78 172	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**11 01 218**	**43 187**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	2 88 33 461	-
Others - Mutual Fund Units	21 29 818	1 99 45 169
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
Total	**3 09 63 279**	**1 99 45 169**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	-	-
Total	-	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	-	1
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	12 36 763	-
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	**12 36 763**	**1**

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme A - Tier I

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 14th October, 2016.

3. **Investment pattern to be followed as per PFRDA Regulations:**
   a. Commercial mortgage based securities or Residential mortgaged based securities
   b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India (SEBI)
   c. Asset backed securities regulated by the SEBI.
   d. Units issued by Infrastructure Investment Trusts regulated by the SEBI.
   e. Alternative Investment Funds (AIF Category I & II) registered with SEBI.

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

   Investments are valued using the price determined in the following manner:

   A) <u>Valuation of Debt Instruments</u>

      I) <u>Valuation Policy up to 31st December, 2019</u>

a. **Debentures, corporate bonds, commercial papers and certificate of deposits:**

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**
Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**
   a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
   b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
   c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

b) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):
In the cases of securities below BBB -, the same are valued as below:
All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Income Recognition**:
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest - bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit /Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 2416941.8698 and the balance 2.1807 have been identified as residual units with CRA.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 2,788	₹ 1,771

* excluding GST
** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 1,181	₹ 538

G. **Purchase/Sale of Investments**: During the year investments were made only in Liquid Mutual Funds. The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
8.08	341.42	7.00	295.97	1.18	78.58	0.39	25.98

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ NIL. (Previous Year ₹ NIL).

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 12.8670	₹ 12.5500

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹	%	₹	%	₹	%	₹	%
19,35,819	8.18	14,17,396	5.99	8,91,713	5.93	2,320	0.02

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. **Other disclosures:**

Particulars	Current Year	Previous Year
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

N. **Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 3.49	₹ 0.21	₹ 1.18	₹ 1.99

O. **Details of Net Unrealized Gains / (Losses) for the period are given below:**

₹

Particular	Current Year	Previous Year
Net Unrealized Gains / (Losses)	₹ (14,10,752)	₹ 7,36,166

P. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is given in Annexure A.

Q. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure B.

R. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

ANNEXURE A

Industry wise classification where industry explosure % to total explosure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
BANK OF BARODA	2,50,000	2,48,39,910	79.87	86.15
STATE BANK OF INDIA	40,000	39,93,551	12.84	13.85
		2,88,33,461	**92.71**	**100.00**

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	12.5555	11.8196	Closing NAV as on 1st April of the Current F Y
	High	13.0293	12.5500	Highest NAV during the F Y
	Low	12.5555	11.8196	Lowest NAV during the F Y
	End	12.8670	12.5500	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	310.99	199.02	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	236.55	150.34	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	8.18%	5.93%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0281%	0.0154%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0117%	0.0117%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	2.19%	5.92%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	0.00%	0.00%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	2.53%	6.18%	
	Last 3 Years	5.41%	6.87%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 5 Years	NA	NA	
	Last 10 Years	NA	NA	
	Since Launch of the scheme (14th October, 2016)	5.81%	6.78%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme - Tax Saver- Tier II

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme Tax Saver Tier II (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 4th September 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

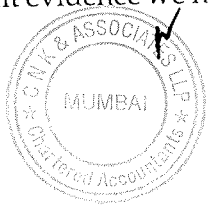
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs. 1,000 is lying with Trustee Bank as on 31st March 2021 the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other
irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME TAX SAVER - TIER II
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹
Liabilities		
Unit Capital	1	15 22 123
Reserves and Surplus	2	27 696
Current Liabilities and Provisions	3	33
Total		**15 49 852**
Assets		
Investments	4	15 49 852
Deposits	5	-
Other Current Assets	6	-
Total		**15 49 852**
(a) Net assets as per Balance Sheets		15 49 819
(b) Number of units outstanding		1 52 212
Significant Accounting Policies and Notes to Accounts	7	

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME TAX SAVER - TIER II
REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	Schedules	Period ended March 31, 2021 ₹
Income		
Dividend		-
Interest		-
Profit on sale/redemption of investments		2
Profit on inter-scheme transfer/sale of investments		-
Unrealized gain on appreciation in investments		9 040
Other income		
- Miscellaneous Income		1
Total Income (A)		**9 043**
Expenses and Losses		
Unrealized losses in value of investments		-
Loss on sale/redemption of investments		-
Loss on inter-scheme transfer/sale of investments		-
Management fees (including GST)		33
NPS Trust fees		14
Custodian fees (including GST)		-
Depository and settlement charges (including GST)		-
Stamp Duty on Bond/Mutual Fund		77
CRA Fees		-
Less: Amount recoverable on sale of units on account of CRA Charges		-
Provision for Non-Performing Assets		-
Other Expenses		-
Total Expenditure (B)		**124**
Surplus/(Deficit) for the year (A-B)		**8 919**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(9 040)
Less: Amount transferred (to) / from General Reserve		121
Amount carried forward to Balance Sheet		-
Significant Accounting Policies and Notes to Accounts	7	

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

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For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME TAX SAVER - TIER II

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹
Unit Capital	
Outstanding at the beginning of the year	-
Add :Units issued during the year	15 22 123
Less: Units redeemed during the year	-
Outstanding at the end of the year	**15 22 123**
(Face Value of Rs.10/- each unit, fully paid up)	
Outstanding units at the beginning of the year	-
Add :Units issued during the year	1 52 212
Less: Units redeemed during the year	-
Outstanding units at the end of the year	**1 52 212**

Schedule 2	As at March 31, 2021 ₹
Reserves and Surplus	
Unit Premium Reserve	
Opening Balance	-
Add: Premium on Units issued	18 777
Less: Premium on Units redeemed	-
Add: Transfer from General Reserve	-
Closing Balance	**18 777**
General Reserve	
Opening Balance	-
Add: Transfer from Revenue Account	(121)
Less: Transfer to Unit Premium Reserve	-
Closing Balance	**(121)**
Unrealised Appreciation Reserve	
Opening Balance	-
Add: Adjustment for Previous years unrealised appreciation reserve	-
Add/(Less): Transfer from/(to) Revenue Account	9 040
Closing Balance	**9 040**
Total	**27 696**

Schedule 3	As at March 31, 2021 ₹
Current Liabilities and Provisions	
Current Liabilities	
Sundry Creditors for expenses	33
Book Overdraft	-
Redemption Payable	-
TDS Payable	-
Contracts for purchase of investments	-
Amount Payable to Other Schemes	-
Provision for Interest overdue	-
Provision on upgraded assets	-
Interest received in Advance	-
Total	**33**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME TAX SAVER - TIER II
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹
Investments (Long Term and Short Term)	
Equity Shares	-
Preference Shares	-
Debentures and Bonds Listed/Awaiting Listing	-
Central and State Government Securities (including treasury bills)	-
Commercial Paper	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/	-
Commercial mortgage based Securities or Residential mortgage based securities	-
Basel III Tier I bonds	15 49 852
Others - Mutual Fund Units	-
Non Convertible Debentures classified as NPA	-
Less: Provision on Non performing investment	
Total	**15 49 852**

Schedule 5	As at March 31, 2021 ₹
Deposits	
Deposits with Scheduled Banks	-
Total	-

Schedule 6	As at March 31, 2021 ₹
Other Current Assets	
Balances with bank in a current account	-
Contracts for sale of investments	-
Interest Receivable on Non-Performing Investments	-
Less: Provision for interest on Non-Performing Investment	-
Outstanding and accrued income	-
Dividend Receivable	-
Brokerage receivable from PFM	-
Application money pending allotment	-
Sundry Debtors	-
Redemption receivable on Non performing Investment	-
Less: Provision for Non Performing Investment	
Total	-

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme Tax Saver - Tier II

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE PERIOD ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Furd Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. **Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 4th September, 2020.

3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Equity*	10%-25%
(ii)	Debt**	Upto 90%
(iii)	Cash/Money Market/Liquid MFs	Upto 5%

* Investment guidelines as applicable for Scheme E - Tier II
** Investment guidelines as applicable for Scheme G - Tier II and Scheme C - Tier II

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:**

Investments are valued using the price determined in the following manner:

A) <u>Valuation of Equity and Equity related Instruments</u>

a. Equity:
   i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.

ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.

b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

B) <u>Valuation of Debt Instruments</u>

a) **Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

iii) Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

iv) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

v) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vi) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

vii) Partly paid bonds are valued at cost till it is fully paid.

viii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

ix) Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b) **Government Securities:**

i) **Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

ii) **Securities with residual maturity of upto 30 days:** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

c) **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

d) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Income Recognition**:
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest - bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit /Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

9. **Unit Premium Reserve**: Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Unit Capital**: Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 152212.2724 and the balance 0.0021 have been identified as residual units with CRA.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Current Period	
Management Fees % p.a.*	**Management Fees ****
0.01%	₹ 33

* excluding GST

** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

Current Period	
NPS Trust Charges % p.a.	**NPS Trust Charges**
0.005%	₹ 14

G. **Purchase/Sale of Investments**: During the period, investments were made only in Liquid Mutual Funds. The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹

Current Period			
Purchase	%	Sales	%
15,41,802	311.10	999	0.20

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ NIL.

I. **Net Asset Value:** Net Assets Value of the Scheme as on 31st March, 2021 is ₹ 10.1819.

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period			
Income		Expenditure	
₹	%	₹	%
9,043	1.82	124	0.03

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. **Other disclosures:**

Particulars	Current Period
Contingent liabilities	Nil
Non performing investments- Carrying value	Nil
Non performing investments- Market value	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil

The total AUM of Scheme Tax Saver - Tier II as on 31st March, 2021 is only Rs 15,49,819 approx, which is very small to deploy in investment assets. Hence, the amount received under the said scheme has been invested in liquid funds. The NPS Trust is also aware of this issue.

N. **Investment in associates and group companies**: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹

Name of Scheme	Current Period	
	Purchase	Outstanding
UTI Asset Management Company Limited	15,41,809	15,49,852

O. **Portfolio**: Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is Nil.

P. The Key Statistics for the Financial Year 2020-21 is attached as per Annexure A.

Q. This being the first year of operations, the previous year's figures are not stated.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer & Whole Time Director
DIN : 01846261

Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

Annexure - A

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme Tax Saver - Tier II

S. No.	Particulars	As at March 31, 2021	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***		NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	NA	Closing NAV as on 1st April of the Current F Y
	High	10.1819	Highest NAV during the F Y
	Low	10.0011	Lowest NAV during the F Y
	End	10.1819	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**		
	End	15.50	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	4.96	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	3.19%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**		
a	Total Expense as % of AAUM (Scheme wise)	0.0437%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0115%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	3.14%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	0.00%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**		
	Last 1 Year	NA	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	NA	
	Last 5 Years	NA	
	Last 10 Years	NA	
	Since Launch of the scheme (4th September, 2020)	3.21%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme Central Govt.

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
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Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
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INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme Central Government (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

a. 52,59,987.0947 Units, valued at Rs.17,85,32,904 as on 31st March, 2021 (Previous Year: 53,03,173.4088 Units valued at Rs.15,64,02,251) is lying in the name of "Unitization Pool Account" maintained by Central Recordkeeping Agency (CRA). As explained by CRA, the subscribers for the same have not been identified. The possible impact, if any, shall be known after completion of identification / reconciliation process.

b. Rs.17,05,57,087 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs.20,93,37,725) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines

for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes

managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

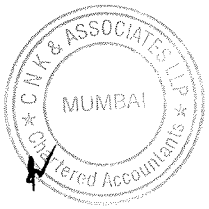


We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036



Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188

Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	17828 08 14 702	15631 77 63 647
Reserves and Surplus	2	42683 62 41 449	30469 90 80 439
Current Liabilities and Provisions	3	13 78 42 718	2 62 61 837
Total		**60525 48 98 869**	**46104 31 05 923**
Assets			
Investments	4	59356 36 70 919	45140 41 68 074
Deposits	5	7 60 95 000	82 10 000
Other Current Assets	6	1161 51 32 950	963 07 27 849
Total		**60525 48 98 869**	**46104 31 05 923**
(a) Net assets as per Balance Sheets		60511 70 56 151	46101 68 44 086
(b) Number of units outstanding		1782 80 81 470	1563 17 76 364
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		91 26 27 599	75 89 94 763
Interest		3298 52 84 826	2700 18 11 308
Profit on sale/redemption of investments		255 31 69 731	95 28 58 326
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		4011 74 91 333	1964 31 12 038
Other income			
- Miscellaneous Income		2 99 368	14 509
Total Income (A)		**7656 88 72 857**	**4835 67 90 944**
Expenses and Losses			
Unrealized losses in value of investments		192 27 21 376	1882 27 94 009
Loss on sale/redemption of investments		60 89 41 594	44 39 48 645
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		6 53 74 180	5 05 47 775
NPS Trust fees		2 71 57 768	1 45 83 943
Custodian fees (including GST)		1 78 17 140	1 42 43 635
Depository and settlement charges (including GST)		33 52 861	28 57 366
Stamp Duty on Bond/Mutual Fund		1 12 13 787	-
CRA Fees		2 18 775	1 64 976
Less: Amount recoverable on sale of units on account of CRA Charges		(2 18 775)	(1 64 976)
Provision for Non-Performing Assets		15 00 00 000	228 49 85 522
Other Expenses		13	2 70 784
Total Expenditure (B)		**280 65 78 719**	**2163 42 36 679**
Surplus/(Deficit) for the year (A-B)		**7376 22 94 138**	**2672 25 54 265**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(3819 47 69 957)	(82 03 18 029)
Less: Amount transferred (to) / from General Reserve		(3556 75 24 181)	(2590 22 36 236)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	15631 77 63 647	13267 21 80 555
Add :Units issued during the year	2362 38 12 468	2457 08 65 557
Less: Units redeemed during the year	(166 07 61 413)	(92 52 82 465)
Outstanding at the end of the year	**17828 08 14 702**	**15631 77 63 647**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	1563 17 76 364	1326 72 18 055
Add :Units issued during the year	236 23 81 247	245 70 86 556
Less: Units redeemed during the year	(16 60 76 141)	(9 25 28 247)
Outstanding units at the end of the year	**1782 80 81 470**	**1563 17 76 364**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	17126 83 50 407	12623 24 73 252
Add: Premium on Units issued	5218 27 86 581	4679 85 53 514
Less: Premium on Units redeemed	(380 79 19 709)	(176 26 76 359)
Add: Transfer from General Reserve	-	-
Closing Balance	**21964 32 17 279**	**17126 83 50 407**
General Reserve		
Opening Balance	11421 15 65 045	8830 93 28 809
Add: Transfer from Revenue Account	3556 75 24 181	2590 22 36 236
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**14977 90 89 226**	**11421 15 65 045**
Unrealised Appreciation Account		
Opening Balance	1921 91 64 987	1839 88 46 958
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	3819 47 69 957	82 03 18 029
Closing Balance	**5741 39 34 944**	**1921 91 64 987**
Total	**42683 62 41 449**	**30469 90 80 439**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	2 62 95 390	2 03 48 282
Book Overdraft	-	-
Redemption Payable	11 10 31 049	53 77 707
TDS Payable	5 16 279	5 35 848
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**13 78 42 718**	**2 62 61 837**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	8662 99 58 106	4248 71 02 602
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	20214 81 80 467	16614 53 62 887
Central and State Government Securities (including treasury bills)	29336 35 26 427	23866 10 64 230
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	1142 20 05 919	411 06 38 355
Non Convertible Debentures classified as NPA	214 00 00 000	214 00 00 000
Less: Provision on Non performing investment	(214 00 00 000)	(214 00 00 000)
Total	**59356 36 70 919**	**45140 41 68 074**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	7 60 95 000	82 10 000
Total	**7 60 95 000**	**82 10 000**

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	72 36 825	1
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	26 23 42 599	26 23 42 599
Less: Provision for interest on Non-Performing Investment	(26 23 42 599)	(26 23 42 599)
Outstanding and accrued income	1136 93 94 484	951 25 20 456
Dividend Receivable	3 74 76 381	79 06 920
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	20 10 25 260	11 03 00 472
Redemption receivable on Non performing Investment	39 00 00 000	24 00 00 000
Less: Provision for Non Performing Investment	(39 00 00 000)	(24 00 00 000)
Total	**1161 51 32 950**	**963 07 27 849**

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - Central Govt

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines ar.d declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 1st April, 2008.

3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 as amended from time to time to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

   Investments are valued using the price determined in the following manner:

   A) <u>Valuation of Equity and Equity related Instruments</u>

   a. **Equity:**
      i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.

ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.

b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

B) <u>Valuation of Debt Instruments</u>

I) <u>Valuation Policy up to 31st December, 2019</u>

a. **Debentures, corporate bonds, commercial papers and certificate of deposits:**

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

c. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**
Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

b) **Government Securities:**

i) **Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

c) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Non Performing Investments:**

Investments are classified as non-performing based on PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013. An investment is regarded as non-performing if interest / principal or both amounts have not been received or remained outstanding for one quarter from the day such income / instrument has fallen due.

Provisions are made for Non-performing investments as per the extant guidelines prescribed by PFRDA as shown below:

Period past due from the date of classification of assets as NPA	% Provision On Book Value
3 Months	50%
6 Months	75%
9 Months	100%

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

Re-schedulement of NPA:

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.

ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

8. **Income Recognition**:
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit / Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

9. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

10. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 17828071591.8938 and the balance 9878.0068 have been identified as residual units with CRA

Total 5259987.0947 Units are lying in the name of "CRA Unitisation Pooled PRAN" maintained by CRA. As explained by CRA, the subscribers have not been identified for the same. Moreover, total 2318076.2644 Units are lying in the name of "Central Govt. Suspense PRAN" & "UOS Suspense PRAN" maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 6,53,74,180	₹ 5,05,47,775

* excluding GST
** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 2,71,57,768	₹ 1,45,83,943

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
41,802.80	76.94	30,344.04	55.85	48,505.69	115.45	38,282.04	91.11

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ 10,308.92 Crores. (Previous Year ₹ 7,597.48 Crores)

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 33.9417	₹ 29.4922

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
7,656.89	14.09	280.66	0.52	4,835.68	11.51	2,163.42	5.15

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. **Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 31st March, 2021 is as under:

₹ in Crores

Particular	As on 31st March, 2021****	As on 31st March, 2020****
Book Value	253.00	238.00
Provision for NPA	253.00	238.00
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.42	0.52

*** Investment is not traded, hence market value is not ascertainable.

**** As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited.

N. Contingent liability as on 31st March, 2021 is ₹ 18,08,33,591 towards uncalled amount of ₹ 942.75 per shares on 1,91,815 Partly Paid shares of Reliance Industries Limited. (Previous Year ₹ 4,04,75,800).

O. Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 31st March, 2021 is ₹ NIL. (Previous Year ₹ Nil)

P. The investment in Air India Bond, Food Corporation of India Limited and Mahanagar Telephone Nigam Limited has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

Q. **Investment in associates and group companies**: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 25,139.60	₹ 739.57	₹ 37,877.34	₹ 310.96

R. **Portfolio**: Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is given in Annexure A.

S. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure B.

T. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN : 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

ANNEXURE A

Industry wise classification where industry explosure % to total explosure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	1,15,60,982	6,72,96,47,622	1.11	7.77
HDFC BANK LTD.	36,86,396	5,50,61,85,385	0.91	6.36
AXIS BANK LTD.	49,84,745	3,47,66,10,400	0.57	4.01
KOTAK MAHINDRA BANK LTD.	19,13,195	3,35,38,30,835	0.55	3.87
STATE BANK OF INDIA	83,72,913	3,05,02,52,206	0.50	3.52
INDUSIND BANK LTD.	12,09,359	1,15,42,72,698	0.19	1.33
BANK OF BARODA	28,93,135	21,43,81,304	0.04	0.25
IDFC BANK LIMITED	23,86,722	13,29,40,415	0.02	0.15
PUNJAB NATIONAL BANK	6,19,890	2,27,18,969	0.00	0.03
YES BANK	6,81,131	1,06,25,644	0.00	0.01
		23,65,14,65,478	**3.89**	**27.30**
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	50,03,156	6,84,45,67,566	1.13	7.90
TATA CONSULTANCY SERVICES LTD.	11,77,534	3,74,20,26,422	0.62	4.32
HCL TECHNOLOGIES LIMITED	9,38,482	92,21,99,337	0.15	1.06
TECH MAHINDRA LTD.	8,78,234	87,07,25,099	0.14	1.01
WIPRO LTD.	15,51,058	64,23,70,671	0.11	0.74
		13,02,18,89,095	**2.15**	**15.03**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	30,74,053	5,98,25,85,195	0.99	6.91
BHARAT PETROLEUM CORPORATION LTD.	16,51,327	70,66,85,390	0.12	0.82
INDIAN OIL CORPORATION LTD.	18,82,968	17,29,50,611	0.03	0.20
		6,86,22,21,196	**1.14**	**7.93**
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
DIVIS LABORATORIES LTD.	2,99,503	1,08,50,39,468	0.18	1.25
SUN PHARMACEUTICAL INDUSTRIES LTD.	17,39,073	1,03,96,17,839	0.17	1.20
CIPLA LTD.	11,28,150	91,95,55,065	0.15	1.06
LUPIN LTD.	8,26,235	84,31,31,506	0.14	0.97
CADILA HEALTHCARE LTD.	16,71,317	73,68,83,665	0.12	0.85
DR. REDDYS LABORATORIES LTD.	1,37,543	62,11,44,188	0.10	0.72
		5,24,53,71,731	**0.86**	**6.05**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	14,21,90,000	15,16,06,93,247	2.51	7.44
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	12,14,00,000	12,71,06,63,555	2.10	6.24
HOUSING AND URBAN DEVELOPMENT CORPORATION	4,14,90,000	4,52,65,27,772	0.75	2.22
NATIONAL HOUSING BANK	25,00,000	26,34,63,500	0.04	0.13
PNB HOUSING FINANCE LIMITED	25,00,000	24,52,87,500	0.04	0.12
		32,90,66,35,574.00	**5.44**	**16.15**
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	15,34,50,000	16,32,19,48,684	2.70	8.01
ICICI BANK LTD.	8,80,50,000	9,30,03,11,894	1.54	4.56
HDFC BANK LTD.	4,29,10,000	4,60,82,39,425	0.76	2.26
IDFC BANK LIMITED	1,12,80,000	1,15,63,58,066	0.19	0.57
KOTAK MAHINDRA BANK LTD.	44,90,000	46,40,18,601	0.08	0.23
YES BANK	40,00,000	37,46,19,650	0.06	0.18
PUNJAB NATIONAL BANK	10,00,000	10,28,98,100	0.02	0.05
ING VYSYA BANK LTD.	8,00,000	8,50,14,000	0.01	0.04
		32,41,34,08,420	**5.36**	**15.90**
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	18,19,80,000	19,07,83,95,943	3.15	9.36
EXPORT IMPORT BANK OF INDIA	2,77,80,000	3,00,84,18,622	0.50	1.48
		22,08,68,14,565	**3.65**	**10.84**
PASSENGER RAIL TRANSPORT				
INDIAN RAILWAY FINANCE CORPORATION LTD.	19,51,50,000	20,30,26,49,578	3.36	9.96
		20,30,26,49,578.00	**3.36**	**9.96**
CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	19,63,20,000	20,28,03,98,198	3.35	9.95
		20,28,03,98,198	**3.35**	**9.95**
OTHER CREDIT GRANTING				
RURAL ELECTRIFICATION CORPORATION LIMITED	10,25,00,000	10,85,95,29,236	1.79	5.33
POWER FINANCE CORPORATION LTD.	8,09,80,000	8,58,30,43,568	1.42	4.21
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	15,00,000	15,65,00,700	0.03	0.08
		19,59,90,73,504.00	**3.24**	**9.62**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	10,81,80,000	11,63,99,48,724	1.92	5.71
INDIAN OIL CORPORATION LTD.	55,00,000	56,04,40,400	0.09	0.28
		12,20,03,89,124.00	**2.01**	**5.99**
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	10,57,00,000	11,33,55,04,911	1.87	5.56
		11,33,55,04,911	**1.87**	**5.56**

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Central Govt.

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	29.3928	27.5818	Closing NAV as on 1st April of the Current F Y
	High	34.0693	30.3954	Highest NAV during the F Y
	Low	29.0790	27.3726	Lowest NAV during the F Y
	End	33.9417	29.4922	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	60,51,170.56	46,10,168.44	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	54,33,480.74	42,01,592.16	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	14.09%	11.51%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0230%	0.0196%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0120%	0.0120%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	13.58%	6.36%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	3.59%	2.45%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	15.09%	7.02%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	10.26%	7.36%	
	Last 5 Years	10.11%	8.36%	
	Last 10 Years	9.76%	9.11%	
	Since Launch of the scheme (1st April, 2008)	9.85%	9.43%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme State Govt.

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme State Government (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

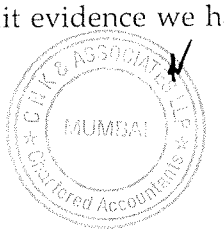
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.2,39,69,68,200 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs.89,98,46,926) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188

Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	32124 74 29 117	26774 10 06 709
Reserves and Surplus	2	64920 83 28 785	43601 67 81 319
Current Liabilities and Provisions	3	78 68 22 690	3 82 76 277
Total		**97124 25 80 592**	**70379 60 64 305**
Assets			
Investments	4	95400 93 79 703	68935 45 83 126
Deposits	5	8 25 93 500	50 47 09 492
Other Current Assets	6	1715 06 07 389	1393 67 71 687
Total		**97124 25 80 592**	**70379 60 64 305**
(a) Net assets as per Balance Sheets		97045 57 57 902	70375 77 88 028
(b) Number of units outstanding		3212 47 42 912	2677 41 00 671
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		142 88 28 479	109 39 39 577
Interest		5058 12 87 049	4003 36 83 524
Profit on sale/redemption of investments		327 69 12 474	126 90 86 163
Profit on inter-scheme transfer/sale of investments		20 06 51 059	-
Unrealized gain on appreciation in investments		6200 83 07 014	2933 77 65 468
Other income			
- Miscellaneous Income		4 73 101	17 623
Total Income (A)		**11749 64 59 176**	**7173 44 92 355**
Expenses and Losses			
Unrealized losses in value of investments		352 87 70 528	2797 60 18 908
Loss on sale/redemption of investments		85 83 41 388	62 57 73 006
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		10 17 28 386	7 50 42 184
NPS Trust fees		4 22 60 047	2 18 34 727
Custodian fees (including GST)		2 77 15 669	1 79 22 079
Depository and settlement charges (including GST)		52 74 505	77 90 602
Stamp Duty on Bond/Mutual Fund		1 71 11 400	-
CRA Fees		4 94 004	4 75 952
Less: Amount recoverable on sale of units on account of CRA Charges		(4 94 004)	(4 75 952)
Provision for Non-Performing Assets		18 45 00 000	312 61 00 000
Other Expenses		-	3 68 994
Total Expenditure (B)		**476 57 01 923**	**3185 08 50 500**
Surplus/(Deficit) for the year (A-B)		**11273 07 57 253**	**3988 36 41 855**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(5847 95 36 486)	(136 17 46 560)
Less: Amount transferred (to) / from General Reserve		(5425 12 20 767)	(3852 18 95 295)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

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For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

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(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	26774 10 06 709	21576 80 51 525
Add :Units issued during the year	5594 63 22 351	5354 71 71 871
Less: Units redeemed during the year	(243 98 99 943)	(157 42 16 687)
Outstanding at the end of the year	**32124 74 29 117**	**26774 10 06 709**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	2677 41 00 671	2157 68 05 152
Add :Units issued during the year	559 46 32 235	535 47 17 187
Less: Units redeemed during the year	(24 39 89 994)	(15 74 21 668)
Outstanding units at the end of the year	**3212 47 42 912**	**2677 41 00 671**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	27729 18 04 279	19478 05 42 368
Add: Premium on Units issued	10512 71 59 428	8502 75 81 687
Less: Premium on Units redeemed	(466 63 69 215)	(251 63 19 776)
Add: Transfer from General Reserve	-	-
Closing Balance	**37775 25 94 492**	**27729 18 04 279**
General Reserve		
Opening Balance	13542 97 13 743	9690 78 18 448
Add: Transfer from Revenue Account	5425 12 20 767	3852 18 95 295
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**18968 09 34 510**	**13542 97 13 743**
Unrealised Appreciation Account		
Opening Balance	2329 52 63 297	2193 35 16 737
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	5847 95 36 486	136 17 46 560
Closing Balance	**8177 47 99 783**	**2329 52 63 297**
Total	**64920 83 28 785**	**43601 67 81 319**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	4 16 51 508	3 07 39 959
Book Overdraft	-	-
Redemption Payable	13 52 92 532	67 21 975
TDS Payable	8 19 244	8 14 343
Contracts for purchase of investments	60 90 59 406	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**78 68 22 690**	**3 82 76 277**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	13721 28 66 277	6312 62 16 887
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	30302 90 57 291	24864 96 95 940
Central and State Government Securities (including treasury bills)	48084 98 08 746	36489 14 35 513
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	3291 76 47 389	1268 72 34 786
Non Convertible Debentures classified as NPA	258 96 00 000	271 51 00 000
Less: Provision on Non performing investment	(258 96 00 000)	(271 51 00 000)
Total	**95400 93 79 703**	**68935 45 83 126**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	8 25 93 500	50 47 09 492
Total	**8 25 93 500**	**50 47 09 492**

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	84 98 060	-
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	36 36 77 521	36 36 77 521
Less: Provision for interest on Non-Performing Investment	(36 36 77 521)	(36 36 77 521)
Outstanding and accrued income	1667 74 92 801	1374 77 25 526
Dividend Receivable	6 22 07 770	1 30 64 464
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	40 24 08 758	17 59 81 697
Redemption receivable on Non performing Investment	85 80 00 000	54 80 00 000
Less: Provision for Non Performing Investment	(85 80 00 000)	(54 80 00 000)
Total	**1715 06 07 389**	**1393 67 71 687**

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - State Govt.

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 25th June, 2009.

3. **Investment pattern to be followed as per the PFRDA Regulation:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 as amended from time to time to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
   The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

   Investments are valued using the price determined in the following manner:

   A) Valuation of Equity and Equity related Instruments

   a. **Equity:**
      i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.

ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.

b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

B) **Valuation of Debt Instruments**

I) **Valuation Policy up to 31st December, 2019**

a. **Debentures, corporate bonds, commercial papers and certificate of deposits:**

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

c. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**
Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

b) **Government Securities:**

i) **Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

c) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.





7. **Non Performing Investments:**

Investments are classified as non-performing based on PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013. An investment is regarded as non-performing if interest / principal or both amounts have not been received or remained outstanding for one quarter from the day such income / instrument has fallen due.

Provisions are made for Non-performing investments as per the extant guidelines prescribed by PFRDA as shown below:

Period past due from the date of classification of assets as NPA	% Provision On Book Value
3 Months	50%
6 Months	75%
9 Months	100%

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

Re-schedulement of NPA:

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.

ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

8. **Income Recognition:**
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit /Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

9. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

10. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 32124723320.3392 and the balance 19591.1619 have been identified as residual units with CRA

Total 729779.5400 Units are lying in the name of "State Govt. Suspense PRAN" & "UOS Suspense PRAN" maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 10,17,28,386	₹ 7,50,42,184

* excluding GST
** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 4,22,60,047	₹ 2,18,34,727

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
68,090.85	80.52	46,039.09	54.44	66,606.05	106.77	48,255.52	77.35

H. The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ 14,225.35 Crores. (Previous Year ₹ 10,923.34 Crores)

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 30.2089	₹ 26.2850

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
11,749.65	13.89	476.57	0.56	7,173.45	11.50	3,185.09	5.11

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. **Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 31st March, 2021 is as under:

₹ in Crores

Particular	As on 31st March, 2021****	As on 31st March, 2020****
Book Value	344.76	326.31
Provision for NPA	344.76	326.31
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.36	0.46

*** Investment is not traded, hence market value is not ascertainable.

**** As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited.

N. Contingent liability as on 31st March, 2021 is ₹ 26,90,75,934 towards uncalled amount of ₹ 942.75 per shares on 2,85,416 Partly Paid shares of Reliance Industries Limited. (Previous Year ₹ 5,64,72,500).

O. Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 31st March, 2021 is ₹ NIL. (Previous Year ₹ Nil)

P. The investment in Air India Bond, Food Corporation of India Limited and Mahanagar Telephone Nigam Limited has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

Q. **Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 44,793.51	₹ 2,431.23	₹ 48,455.98	₹ 1,117.98

R. **Portfolio**: Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is given in Annexure A.

S. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure B.

T. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer & Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

ANNEXURE A

Industry wise classification where industry explosure % to total explosure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	1,81,58,816	10,57,02,46,794	1.09	7.70
HDFC BANK LTD.	57,49,478	8,58,77,07,815	0.88	6.26
AXIS BANK LTD.	81,71,407	5,69,91,47,812	0.59	4.15
KOTAK MAHINDRA BANK LTD.	29,85,408	5,23,34,20,224	0.54	3.81
STATE BANK OF INDIA	1,33,28,564	4,85,55,95,865	0.50	3.54
INDUSIND BANK LTD.	17,91,233	1,70,96,42,337	0.18	1.25
BANK OF BARODA	42,41,911	31,43,25,605	0.03	0.23
IDFC BANK LIMITED	31,02,982	17,28,36,097	0.02	0.13
YES BANK	14,76,775	2,30,37,690	0.00	0.02
PUNJAB NATIONAL BANK	3,88,806	1,42,49,740	0.00	0.01
		37,18,02,09,979	**3.83**	**27.10**
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	76,71,202	10,49,45,87,896	1.08	7.65
TATA CONSULTANCY SERVICES LTD.	17,44,498	5,54,37,52,969	0.57	4.04
HCL TECHNOLOGIES LIMITED	15,56,646	1,52,96,38,192	0.16	1.11
TECH MAHINDRA LTD.	15,05,090	1,49,22,21,481	0.15	1.09
WIPRO LTD.	23,06,225	95,51,23,084	0.10	0.70
		20,01,53,23,622	**2.06**	**14.59**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	46,76,665	9,10,73,57,020	0.94	6.64
BHARAT PETROLEUM CORPORATION LTD.	33,87,819	1,44,98,17,141	0.15	1.06
INDIAN OIL CORPORATION LTD.	26,59,200	24,42,47,520	0.03	0.18
		10,80,14,21,681	**1.12**	**7.88**
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
DIVIS LABORATORIES LTD.	4,86,014	1,76,07,31,519	0.18	1.28
SUN PHARMACEUTICAL INDUSTRIES LTD.	26,75,653	1,59,95,05,363	0.16	1.17
CIPLA LTD.	17,60,703	1,43,51,49,015	0.15	1.05
LUPIN LTD.	12,24,541	1,24,95,82,863	0.13	0.91
CADILA HEALTHCARE LTD.	25,59,000	1,12,82,63,100	0.12	0.82
DR. REDDYS LABORATORIES LTD.	2,33,537	1,05,46,53,092	0.11	0.77
		8,22,78,84,952	**0.85**	**6.00**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	25,26,30,000	26,85,35,44,345	2.77	8.82
ICICI BANK LTD.	11,12,60,000	11,78,65,53,189	1.21	3.87
HDFC BANK LTD.	6,22,10,000	6,68,53,27,475	0.69	2.19
IDFC BANK LIMITED	1,53,40,000	1,57,19,29,951	0.16	0.52
KOTAK MAHINDRA BANK LTD.	94,10,000	97,36,32,009	0.10	0.32
YES BANK	52,00,000	49,26,01,770	0.05	0.16
PUNJAB NATIONAL BANK	9,00,000	9,26,08,290	0.01	0.03
ING VYSYA BANK LTD.	7,00,000	7,43,87,250	0.01	0.02
		48,53,05,84,279	**5.00**	**15.93**
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	19,15,60,000	20,15,79,43,500	2.08	6.62
LIC HOUSING FINANCE LTD.	16,38,80,000	17,48,31,72,279	1.80	5.74
HOUSING AND URBAN DEVELOPMENT CORPORATION	8,54,90,000	9,29,60,09,069	0.96	3.05
NATIONAL HOUSING BANK	96,00,000	99,73,43,640	0.10	0.33
PNB HOUSING FINANCE LIMITED	25,00,000	24,52,87,500	0.03	0.08
		48,17,97,55,988	**4.97**	**15.82**
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	26,17,10,000	27,70,23,17,672	2.85	9.09
EXPORT IMPORT BANK OF INDIA	5,64,30,000	6,10,51,77,826	0.63	2.00
		33,80,74,95,498	**3.48**	**11.09**
CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	29,29,90,000	30,42,20,26,392	3.13	9.99
		30,42,20,26,392	**3.13**	**9.99**
PASSENGER RAIL TRANSPORT				
INDIAN RAILWAY FINANCE CORPORATION LTD.	29,14,00,000	30,30,99,02,301	3.12	9.95
		30,30,99,02,301	**3.12**	**9.95**
OTHER CREDIT GRANTING				
RURAL ELECTRIFICATION CORPORATION LIMITED	14,51,10,000	15,45,97,88,525	1.59	5.08
POWER FINANCE CORPORATION LTD.	12,60,00,000	13,33,28,95,325	1.37	4.38
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	9,50,000	9,91,17,110	0.01	0.03
		28,89,18,00,960	**2.97**	**9.49**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	17,64,90,000	19,00,14,21,605	1.96	6.24
INDIAN OIL CORPORATION LTD.	1,93,00,000	1,91,07,43,940	0.20	0.63
BHARAT PETROLEUM CORPORATION LTD.	35,00,000	36,39,17,050	0.04	0.12
		21,27,60,82,595	**2.20**	**6.99**

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – State Govt.

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	26.1987	24.5534	Closing NAV as on 1st April of the Current F Y
	High	30.3225	27.0838	Highest NAV during the F Y
	Low	25.9033	24.3599	Lowest NAV during the F Y
	End	30.2089	26.2850	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	97,04,557.58	70,37,577.88	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	84,56,227.64	62,38,515.14	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	13.89%	11.50%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0230%	0.0197%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0120%	0.0120%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	13.33%	6.39%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	3.26%	2.02%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	14.93%	7.13%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	10.23%	7.32%	
	Last 5 Years	10.04%	8.33%	
	Last 10 Years	9.86%	9.51%	
	Since Launch of the scheme (25th June, 2009)	9.85%	9.39%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Ltd.
Scheme NPS Lite – Govt. Pattern

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Limited NPS LITE SCHEME - GOVERNMENT PATTERN (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CNK & ASSOCIATES LLP MUMBAI Chartered Accountants

Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.42,62,059 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs. 11,18,342) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	441 92 25 155	433 56 38 461
Reserves and Surplus	2	799 61 14 671	623 13 31 266
Current Liabilities and Provisions	3	53 52 533	6 58 443
Total		**1242 06 92 359**	**1056 76 28 170**
Assets			
Investments	4	1220 42 53 207	1037 07 12 646
Deposits	5	5 07 000	-
Other Current Assets	6	21 59 32 152	19 69 15 524
Total		**1242 06 92 359**	**1056 76 28 170**
(a) Net assets as per Balance Sheets		1241 53 39 826	1056 69 69 727
(b) Number of units outstanding		44 19 22 515	43 35 63 846
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

Date: 27/04/2021
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		2 12 19 494	2 04 41 078
Interest		71 51 32 307	66 09 03 230
Profit on sale/redemption of investments		14 56 16 404	4 33 84 571
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		81 28 35 145	47 40 87 114
Other income			
- Miscellaneous Income		6 306	769
Total Income (A)		**169 48 09 656**	**119 88 16 762**
Expenses and Losses			
Unrealized losses in value of investments		5 17 16 763	50 46 29 969
Loss on sale/redemption of investments		1 30 79 873	84 60 266
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		14 05 618	12 38 476
NPS Trust fees		5 83 923	3 49 380
Custodian fees (including GST)		3 76 949	2 89 003
Depository and settlement charges (including GST)		66 176	1 15 788
Stamp Duty on Bond/Mutual Fund		1 38 793	-
CRA Fees		2 29 45 394	2 40 97 561
Less: Amount recoverable on sale of units on account of CRA Charges		(2 29 45 394)	(2 40 97 561)
Provision for Non-Performing Assets		-	5 02 50 000
Other Expenses		19	5 940
Total Expenditure (B)		**6 73 68 114**	**56 53 38 822**
Surplus/(Deficit) for the year (A-B)		**162 74 41 542**	**63 34 77 940**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(76 11 18 382)	3 05 42 855
Less: Amount transferred (to) / from General Reserve		(86 63 23 160)	(66 40 20 795)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	433 56 38 461	421 67 18 154
Add :Units issued during the year	18 75 50 244	19 18 68 534
Less: Units redeemed during the year	(10 39 63 550)	(7 29 48 227)
Outstanding at the end of the year	**441 92 25 155**	**433 56 38 461**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	43 35 63 846	42 16 71 815
Add :Units issued during the year	1 87 55 024	1 91 86 854
Less: Units redeemed during the year	(1 03 96 355)	(72 94 823)
Outstanding units at the end of the year	**44 19 22 515**	**43 35 63 846**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	232 78 15 477	216 00 80 775
Add: Premium on Units issued	31 28 56 686	26 98 52 491
Less: Premium on Units redeemed	(17 55 14 823)	(10 21 17 789)
Add: Transfer from General Reserve	-	-
Closing Balance	**246 51 57 340**	**232 78 15 477**
General Reserve		
Opening Balance	329 92 37 339	263 52 16 544
Add: Transfer from Revenue Account	86 63 23 160	66 40 20 795
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**416 55 60 499**	**329 92 37 339**
Unrealised Appreciation Account		
Opening Balance	60 42 78 450	63 48 21 305
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	76 11 18 382	(3 05 42 855)
Closing Balance	**136 53 96 832**	**60 42 78 450**
Total	**799 61 14 671**	**623 13 31 266**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	5 43 055	4 71 448
Book Overdraft	-	-
Redemption Payable	47 98 894	1 74 786
TDS Payable	10 584	12 209
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**53 52 533**	**6 58 443**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	174 39 20 924	103 10 78 329
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	390 75 31 643	346 49 21 560
Central and State Government Securities (including treasury bills)	627 57 68 985	562 92 76 945
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	27 70 31 655	24 54 35 812
Non Convertible Debentures classified as NPA	4 45 00 000	4 45 00 000
Less: Provision on Non performing investment	(4 45 00 000)	(4 45 00 000)
Total	**1220 42 53 207**	**1037 07 12 646**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	5 07 000	-
Total	5 07 000	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	2 57 546	57 151
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	61 43 426	61 43 426
Less: Provision for interest on Non-Performing Investment	(61 43 426)	(61 43 426)
Outstanding and accrued income	21 06 10 605	19 30 80 433
Dividend Receivable	5 44 806	2 68 380
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	45 19 195	35 09 560
Redemption receivable on Non performing Investment	1 10 00 000	1 10 00 000
Less: Provision for Non Performing Investment	(1 10 00 000)	(1 10 00 000)
Total	**21 59 32 152**	**19 69 15 524**

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Limited - NPS Lite Scheme - Govt. Pattern

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 4th October, 2010.

3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

   Investments are valued using the price determined in the following manner:

   A) <u>Valuation of Equity and Equity related Instruments</u>

   a. Equity:
      i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.

ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.

b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

B) Valuation of Debt Instruments

I) Valuation Policy up to 31st December, 2019

a. Debentures, corporate bonds, commercial papers and certificate of deposits:

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

c. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

b) **Government Securities:**

i) **Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

c) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Non Performing Investments:**

Investments are classified as non-performing based on PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013. An investment is regarded as non-performing if interest / principal or both amounts have not been received or remained outstanding for one quarter from the day such income / instrument has fallen due.

Provisions are made for Non-performing investments as per the extant guidelines prescribed by PFRDA as shown below:

Period past due from the date of classification of assets as NPA	% Provision On Book Value
3 Months	50%
6 Months	75%
9 Months	100%

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

Re-schedulement of NPA:

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.

ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

8. **Income Recognition:**
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit / Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

9. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

10. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 441920521.7987 and the balance 1993.5124 have been identified as residual units with CRA.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 14,05,618	₹ 12,38,476

* excluding GST
** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 5,83,923	₹ 3,49,380

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
561.04	48.04	435.92	37.33	1,591.99	154.70	1,475.33	143.37

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ 233.20 Crores. (Previous Year ₹ 217.95 Crores).

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 28.0939	₹ 24.3723

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
169.48	14.51	6.74	0.58	119.88	11.65	56.53	5.49

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. **Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 31st March, 2021 is as under:

₹ in Crores

Particular	As on 31st March, 2021****	As on 31st March, 2020****
Book Value	5.55	5.55
Provision for NPA	5.55	5.55
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.45	0.53

*** Investment is not traded, hence market value is not ascertainable.

**** As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited.

N. Contingent liability as on 31st March, 2021 is ₹ 48,13,682 towards uncalled amount of ₹ 942.75 per shares on 5,106 Partly Paid shares of Reliance Industries Limited. (Previous Year ₹ 10,14,200).

O. Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 31st March, 2021 is ₹ NIL. (Previous Year ₹ Nil)

P. The investment in Air India Bond, Food Corporation of India Limited and Mahanagar Telephone Nigam Limited has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

Q. **Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 368.73	₹ 27.70	₹ 1,472.54	₹ 24.54

R. **Portfolio**: Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is given in Annexure A.

S. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure B.

T. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

ANNEXURE A

Industry wise classification where industry explosure % to total explosure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	2,48,452	14,46,23,909	1.16	8.29
HDFC BANK LTD.	67,708	10,11,32,054	0.81	5.80
AXIS BANK LTD.	1,05,005	7,32,35,737	0.59	4.20
STATE BANK OF INDIA	1,73,780	6,33,08,054	0.51	3.63
KOTAK MAHINDRA BANK LTD.	33,828	5,93,00,484	0.48	3.40
INDUSIND BANK LTD.	30,070	2,87,00,312	0.23	1.65
BANK OF BARODA	78,155	57,91,286	0.05	0.33
IDFC BANK LIMITED	81,204	45,23,063	0.04	0.26
PUNJAB NATIONAL BANK	20,125	7,37,581	0.01	0.04
YES BANK	22,800	3,55,680	0.00	0.02
		48,17,08,160	**3.88**	**27.62**
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	1,17,582	16,08,58,055	1.30	9.22
TATA CONSULTANCY SERVICES LTD.	30,174	9,58,88,446	0.77	5.50
TECH MAHINDRA LTD.	21,199	2,10,17,749	0.17	1.21
HCL TECHNOLOGIES LIMITED	17,000	1,67,05,050	0.13	0.96
WIPRO LTD.	27,000	1,11,82,050	0.09	0.64
		30,56,51,350	**2.46**	**17.53**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	60,298	11,61,23,188	0.94	6.66
BHARAT PETROLEUM CORPORATION LTD.	40,000	1,71,18,000	0.14	0.98
		13,32,41,188	**1.08**	**7.64**
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
SUN PHARMACEUTICAL INDUSTRIES LTD.	49,885	2,98,21,253	0.24	1.71
CIPLA LTD.	27,600	2,24,96,760	0.18	1.29
CADILA HEALTHCARE LTD.	35,000	1,54,31,500	0.12	0.88
DR. REDDYS LABORATORIES LTD.	3,300	1,49,02,800	0.12	0.85
DIVIS LABORATORIES LTD.	3,800	1,37,66,640	0.11	0.79
LUPIN LTD.	4,209	42,95,074	0.03	0.25
		10,07,14,027	**0.80**	**5.77**
MANUFACTURE OF CLINKERS AND CEMENT				
ULTRATECH CEMENT LTD.	6,717	4,52,58,810	0.36	2.60
ASSOCIATED CEMENT COMPANIES LTD.	21,170	4,02,91,803	0.32	2.31
AMBUJA CEMENTS LTD.	48,426	1,49,56,370	0.12	0.86
		10,05,06,983	**0.80**	**5.77**

CHIRAG & ASSOCIATES LLP * MUMBAI * Chartered Accountants
Mumbai

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	32,30,000	34,56,91,740	2.78	8.75
EXPORT IMPORT BANK OF INDIA	19,70,000	21,67,74,269	1.75	5.49
		56,24,66,009	**4.53**	**14.24**
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	27,80,000	28,82,80,194	2.32	7.29
LIC HOUSING FINANCE LTD.	21,30,000	23,10,44,185	1.86	5.85
		51,93,24,379	**4.18**	**13.14**
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	23,70,000	24,88,52,998	2.00	6.30
ICICI BANK LTD.	11,20,000	12,13,81,872	0.98	3.07
IDFC BANK LIMITED	4,70,000	4,81,09,257	0.39	1.22
HDFC BANK LTD.	3,30,000	3,52,49,775	0.28	0.89
PUNJAB NATIONAL BANK	80,000	82,31,848	0.07	0.21
		46,18,25,750	**3.72**	**11.69**
CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	37,50,000	37,87,53,260	3.05	9.58
		37,87,53,260	**3.05**	**9.58**
OTHER CREDIT GRANTING				
RURAL ELECTRIFICATION CORPORATION LIMITED	18,60,000	19,77,41,046	1.59	5.00
POWER FINANCE CORPORATION LTD.	16,10,000	17,16,59,129	1.38	4.34
		36,94,00,175	**2.97**	**9.34**
PASSENGER RAIL TRANSPORT				
INDIAN RAILWAY FINANCE CORPORATION LTD.	35,00,000	36,44,21,890	2.94	9.22
		36,44,21,890	**2.94**	**9.22**
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	25,60,000	27,62,95,803	2.23	6.99
		27,62,95,803	**2.23**	**6.99**





Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions NPS Lite Scheme – Govt. Pattern

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	24.2841	22.9005	Closing NAV as on 1st April of the Current F Y
	High	28.1852	25.1982	Highest NAV during the F Y
	Low	24.0549	22.7276	Lowest NAV during the F Y
	End	28.0939	24.3723	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	1,24,153.40	1,05,669.70	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	1,16,790.57	1,02,905.63	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	14.51%	11.65%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0220%	0.0194%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0120%	0.0120%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	13.93%	6.16%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	5.59%	3.53%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	15.27%	6.53%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	10.17%	7.23%	
	Last 5 Years	10.06%	8.19%	
	Last 10 Years	10.13%	NA	
	Since Launch of the scheme (4th October, 2010)	10.34%	9.84%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Ltd.
Scheme Atal Pension Yojana (APY)

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Limited Scheme ATAL PENSION YOJANA (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

C N K & ASSOCIATES LLP * MUMBAI * Chartered Accountants

Emphasis of Matter

Without modifying our opinion, we require your attention to the following:

Rs.10,55,41,758 is lying with Trustee Bank as on 31st March 2021 (Previous Year: Rs.6,46,73,693) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.

Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAAE4188
Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	2976 22 01 110	2285 76 02 995
Reserves and Surplus	2	2201 99 44 196	1168 10 13 615
Current Liabilities and Provisions	3	1 62 67 923	52 34 570
	Total	**5179 84 13 229**	**3454 38 51 180**
Assets			
Investments	4	5093 30 30 111	3389 90 17 413
Deposits	5	-	-
Other Current Assets	6	86 53 83 118	64 48 33 767
	Total	**5179 84 13 229**	**3454 38 51 180**
(a) Net assets as per Balance Sheets		5178 21 45 306	3453 86 16 610
(b) Number of units outstanding		297 62 20 111	228 57 60 299
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		7 21 76 538	5 08 72 370
Interest		254 27 82 578	182 79 79 230
Profit on sale/redemption of investments		17 85 08 533	5 97 84 098
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		319 47 03 725	139 30 37 725
Other income			
- Miscellaneous Income		22 028	567
Total Income (A)		**598 81 93 402**	**333 16 73 990**
Expenses and Losses			
Unrealized losses in value of investments		24 24 27 765	138 96 44 648
Loss on sale/redemption of investments		2 56 61 755	2 06 15 803
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		51 99 358	34 85 570
NPS Trust fees		21 59 919	10 35 833
Custodian fees (including GST)		14 40 882	8 46 748
Depository and settlement charges (including GST)		3 25 382	3 97 506
Stamp Duty on Bond/Mutual Fund		13 09 538	-
CRA Fees		24 79 58 594	19 83 08 117
Less: Amount recoverable on sale of units on account of CRA Charges		(24 79 58 594)	(19 83 08 117)
Provision for Non-Performing Assets		15 00 000	9 05 00 000
Other Expenses		11	9 847
Total Expenditure (B)		**28 00 24 610**	**150 65 35 955**
Surplus/(Deficit) for the year (A-B)		**570 81 68 792**	**182 51 38 035**
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(295 22 75 960)	(33 93 077)
Less: Amount transferred (to) / from General Reserve		(275 58 92 832)	(182 17 44 958)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital		
Outstanding at the beginning of the year	2285 76 02 995	1608 89 38 457
Add :Units issued during the year	793 45 06 539	756 95 13 482
Less: Units redeemed during the year	(102 99 08 424)	(80 08 48 944)
Outstanding at the end of the year	**2976 22 01 110**	**2285 76 02 995**
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	228 57 60 299	160 88 93 846
Add :Units issued during the year	79 34 50 654	75 69 51 348
Less: Units redeemed during the year	(10 29 90 842)	(8 00 84 895)
Outstanding units at the end of the year	**297 62 20 111**	**228 57 60 299**

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	728 41 20 578	398 38 58 405
Add: Premium on Units issued	532 16 24 817	369 18 08 728
Less: Premium on Units redeemed	(69 08 63 028)	(39 15 46 555)
Add: Transfer from General Reserve	-	-
Closing Balance	**1191 48 82 367**	**728 41 20 578**
General Reserve		
Opening Balance	390 53 29 914	208 35 84 956
Add: Transfer from Revenue Account	275 58 92 832	182 17 44 958
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	**666 12 22 746**	**390 53 29 914**
Unrealised Appreciation Account		
Opening Balance	49 15 63 123	48 81 70 046
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	295 22 75 960	33 93 077
Closing Balance	**344 38 39 083**	**49 15 63 123**
Total	**2201 99 44 196**	**1168 10 13 615**

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	22 27 525	15 03 914
Book Overdraft	-	-
Redemption Payable	1 39 95 884	36 90 352
TDS Payable	44 514	40 304
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	**1 62 67 923**	**52 34 570**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	711 00 15 690	328 25 78 223
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	1497 97 69 788	1148 74 92 214
Central and State Government Securities (including treasury bills)	2727 09 47 655	1841 73 02 298
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	157 22 96 978	71 16 44 678
Non Convertible Debentures classified as NPA	9 20 00 000	9 05 00 000
Less: Provision on Non performing investment	(9 20 00 000)	(9 05 00 000)
Total	**5093 30 30 111**	**3369 90 17 413**

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	-	-
Total	-	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	4 38 130	1 53 451
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	93 80 316	93 80 316
Less: Provision for interest on Non-Performing Investment	(93 80 316)	(93 80 316)
Outstanding and accrued income	84 14 08 530	62 78 91 245
Dividend Receivable	34 49 425	7 45 696
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	2 00 87 033	1 60 43 375
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	**86 53 83 118**	**64 48 33 767**

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Limited Scheme- Atal Pension Yojana

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. **Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

2. **Commencement:** The Scheme commenced its operations on 4th June, 2015

3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
   The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

   Investments are valued using the price determined in the following manner:

   A) <u>Valuation of Equity and Equity related Instruments</u>

   a. Equity:
      i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.

ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.

b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

B) Valuation of Debt Instruments

I) Valuation Policy up to 31st December, 2019

a. **Debentures, corporate bonds, commercial papers and certificate of deposits:**

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

c. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

b) **Government Securities:**

i) **Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

c) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Non Performing Investments:**

Investments are classified as non-performing based on PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013. An investment is regarded as non-performing if interest / principal or both amounts have not been received or remained outstanding for one quarter from the day such income / instrument has fallen due.

Provisions are made for Non-performing investments as per the extant guidelines prescribed by PFRDA as shown below:

Period past due from the date of classification of assets as NPA	% Provision On Book Value
3 Months	50%
6 Months	75%
9 Months	100%

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

Re-schedulement of NPA:

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.

ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

8. **Income Recognition**:
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest - bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit / Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

9. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

10. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. Unit Capital: Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 2976193506.5207 and the balance 26604.2641 have been identified as residual units with CRA.

Total 112.6225 Units are lying in the name of "UOS Suspense PRAN" maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

E. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 51,99,358	₹ 34,85,570

* excluding GST
** including GST

F. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ 21,59,919	₹ 10,35,833

G. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
4,447.41	102.88	2,985.84	69.07	8,158.72	281.46	6,969.94	240.45

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ 638.36 Crores. (Previous Year ₹ 422.78 Crores)

I. **Net Asset Value:.**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 17.3986	₹ 15.1103

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
598.82	13.85	28.00	0.65	333.17	11.49	150.65	5.20

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

M. **Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 31st March, 2021 is as under:

₹ in Crores

Particular	As on 31st March, 2021****	As on 31st March, 2020****
Book Value	9.20	9.05
Provision for NPA	9.20	9.05
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.18	0.26

*** Investment is not traded, hence market value is not ascertainable.

**** As per board of director direction, 100% provisions has been made on IL&FS Limited and IL&FS Financial Services Limited.

N. Contingent liability as on 31st March, 2021 is ₹ 1,50,84,000 towards uncalled amount of ₹ 942.75 per shares on 16,000 Partly Paid shares of Reliance Industries Limited. (Previous Year ₹ 16,13,500).

O. Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 31st March, 2021 is ₹ NIL. (Previous Year ₹ Nil).

P. The investment in Mahanagar Telephone Nigam Limited has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

Q. **Investment in associates and group companies**: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 3,015.47	₹ 157.23	₹ 6,993.49	₹ 71.16

R. **Portfolio**: Industry wise classification where industry exposure % to total exposure in investment category >= 5% as on 31st March, 2021 is given in Annexure A.

S. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure B.

T. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer & Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

ANNEXURE A

Industry wise classification where industry explosure % to total explosure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	9,29,498	54,10,60,786	1.04	7.61
HDFC BANK LTD.	2,82,698	42,22,51,868	0.82	5.94
AXIS BANK LTD.	4,32,450	30,16,12,253	0.58	4.24
KOTAK MAHINDRA BANK LTD.	1,69,041	29,63,28,873	0.57	4.17
STATE BANK OF INDIA	6,76,523	24,64,57,329	0.48	3.47
INDUSIND BANK LTD.	1,01,911	9,72,68,954	0.19	1.37
BANK OF BARODA	1,50,182	1,11,28,486	0.02	0.16
YES BANK	93,913	14,65,043	0.00	0.02
IDFC BANK LIMITED	14,780	8,23,246	0.00	0.01
PUNJAB NATIONAL BANK	144	5,278	0.00	0.00
		1,91,84,02,116	**3.70**	**26.99**
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	4,03,860	55,25,00,673	1.07	7.77
TATA CONSULTANCY SERVICES LTD.	90,132	28,64,25,976	0.55	4.03
TECH MAHINDRA LTD.	78,392	7,77,21,748	0.15	1.09
WIPRO LTD.	1,47,000	6,08,80,050	0.12	0.86
HCL TECHNOLOGIES LIMITED	61,152	6,00,91,013	0.12	0.85
		1,03,76,19,460	**2.01**	**14.60**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	2,26,502	43,91,04,556	0.85	6.18
BHARAT PETROLEUM CORPORATION LTD.	2,14,000	9,15,81,300	0.18	1.29
INDIAN OIL CORPORATION LTD.	1,45,600	1,33,73,360	0.03	0.19
		54,40,59,216	**1.06**	**7.66**
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
CIPLA LTD.	1,33,437	10,87,64,499	0.21	1.53
LUPIN LTD.	94,679	9,66,15,186	0.19	1.36
CADILA HEALTHCARE LTD.	2,12,500	9,36,91,250	0.18	1.32
DIVIS LABORATORIES LTD.	23,249	8,42,26,477	0.16	1.18
SUN PHARMACEUTICAL INDUSTRIES LTD.	1,25,585	7,50,74,713	0.14	1.06
DR. REDDYS LABORATORIES LTD.	16,374	7,39,44,984	0.14	1.04
		53,23,17,109	**1.02**	**7.49**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	1,34,40,000	1,43,02,30,608	2.76	9.49
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	1,00,50,000	1,04,45,55,859	2.02	6.93
HOUSING AND URBAN DEVELOPMENT CORPORATION	83,80,000	90,74,10,477	1.75	6.02
		3,38,21,96,944	**6.53**	**22.44**
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	1,24,20,000	1,31,94,50,040	2.55	8.75
HDFC BANK LTD.	19,30,000	20,68,85,275	0.40	1.37
ICICI BANK LTD.	19,20,000	20,20,10,708	0.39	1.34
IDFC BANK LIMITED	3,20,000	3,27,88,608	0.06	0.22
YES BANK	2,00,000	1,87,80,920	0.04	0.12
KOTAK MAHINDRA BANK LTD.	10,000	10,33,449	0.00	0.01
		1,78,09,49,000	**3.44**	**11.81**
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	1,26,40,000	1,33,64,94,111	2.58	8.87
EXPORT IMPORT BANK OF INDIA	19,80,000	21,50,10,023	0.42	1.43
		1,55,15,04,134	**3.00**	**10.30**
PASSENGER RAIL TRANSPORT				
INDIAN RAILWAY FINANCE CORPORATION LTD.	1,41,60,000	1,49,17,51,786	2.88	9.90
		1,49,17,51,786	**2.88**	**9.90**
CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	1,39,90,000	1,46,04,03,562	2.82	9.69
		1,46,04,03,562	**2.82**	**9.69**
OTHER CREDIT GRANTING				
RURAL ELECTRIFICATION CORPORATION LIMITED	79,40,000	81,94,02,421	1.58	5.44
POWER FINANCE CORPORATION LTD.	54,40,000	57,42,09,348	1.11	3.81
		1,39,36,11,769	**2.69**	**9.25**
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	94,50,000	1,01,19,11,005	1.95	6.71
BHARAT PETROLEUM CORPORATION LTD.	5,00,000	5,19,88,150	0.10	0.34
INDIAN OIL CORPORATION LTD.	5,00,000	4,89,71,700	0.09	0.32
		1,11,28,70,855	**2.14**	**7.37**
ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS				
NATIONAL THERMAL POWER CORPORATION LTD.	1,00,10,000	1,03,63,92,616	2.00	6.88
		1,03,63,92,616	**2.00**	**6.88**
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	70,50,000	75,45,11,545	1.46	5.01
		75,45,11,545	**1.46**	**5.01**

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Scheme – Atal Pension Yojana (APY)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	15.0571	14.0874	Closing NAV as on 1st April of the Current F Y
	High	17.4909	15.5950	Highest NAV during the F Y
	Low	14.8882	13.9714	Lowest NAV during the F Y
	End	17.3986	15.1103	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	5,17,821.45	3,45,386.17	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	4,32,299.91	2,89,870.48	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	13.85%	11.49%	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	0.0241%	0.0199%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.0120%	0.0120%	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	13.20%	6.30%	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	1.84%	1.04%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	15.14%	7.36%	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	10.45%	7.34%	
	Last 5 Years	10.22%	NA	
	Last 10 Years	NA	NA	
	Since Launch of the scheme (4th June, 2015)	9.97%	8.93%	

** Declared NAV; Returns calculated based on declared NAV*

Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme Corporate CG

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2021
- Revenue Accounts for the Financial Year ended 31st March, 2021
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6367

CNK & Associates LLP
Chartered Accountants

Narain Chambers, 5th Floor, M. G. Road, Vile Parle (E), Mumbai - 400 057.
Tel.: + 91 -22-62507600

Mistry Bhavan, 3rd Floor, Dinshaw Vachha Rod, Churchgate, Mumbai- 400 020.
Tel.: + 91 22 66230600

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Pension Retirement Solutions Fund Scheme CORPORATE CG (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2021, and Revenue Account for the period 1st April, 2020 to 31st March, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by Schedule VII of Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended) (the Regulations) and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2021;

b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the PFM / the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements under the Regulations and other applicable guidelines issued by Pension Fund Regulatory and Development Authority (PFRDA) / NPS Trust and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Board of Directors of PFM, in accordance with the the Regulations, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (the IMA) executed with NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by PFRDA to the Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with PFRDA guidelines for safeguarding of the assets of the PFM and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, NPS Trust and PFM management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless NPS Trust / PFM management either intends to liquidate the Schemes or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

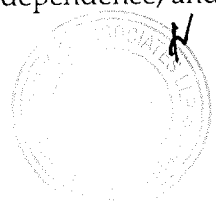
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management of NPS Trust and PFM, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management of NPS Trust and PFM with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

As required by the Schedule VII to the Regulations, we report that:

a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;

b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;

c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;

d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and

e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:

a) Investments have been valued in accordance with the guidelines issued by PFRDA.

b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.:101961W/W-100036

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052
UDIN: 21100052AAAAEF4188

Place: Mumbai
Date: 14 JUL 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG
BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedules	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Liabilities			
Unit Capital	1	-	-
Reserves and Surplus	2	-	-
Current Liabilities and Provisions	3	-	-
Total		-	-
Assets			
Investments	4	-	-
Deposits	5	-	-
Other Current Assets	6	-	-
Total		-	-
(a) Net assets as per Balance Sheets		-	-
(b) Number of units outstanding		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedules	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Income			
Dividend		-	-
Interest		-	-
Profit on sale/redemption of investments		-	-
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		-	-
Other income			
- Miscellaneous Income		-	-
Total Income (A)		-	-
Expenses and Losses			
Unrealized losses in value of investments		-	-
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		-	-
NPS Trust fees		-	-
Custodian fees (including GST)		-	-
Depository and settlement charges (including GST)		-	-
Stamp Duty on Bond/Mutual Fund			
CRA Fees		-	-
Less: Amount recoverable on sale of units on account of CRA Charges		-	-
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		-	-
Surplus/(Deficit) for the year (A-B)		-	-
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		-	-
Less: Amount transferred (to) / from General Reserve		-	-
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For C N K & Associates LLP (FRN 101961W/W-100036)
Chartered Accountants

Hiren Shah
Partner
Membership No.: 100052

Date: 14 JUL 2021
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
DIN : 01846261

Date: 27/04/2021
Place: Mumbai

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Chairman & Director
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)

Date: 02 JUL 2021
Place: Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)

28 JUN 2021

NATIONAL PENSION SYSTEM TRUST

NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 1	No.	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Unit Capital			
Outstanding at the beginning of the year		-	-
Add :Units issued during the year		-	-
Less: Units redeemed during the year		-	-
Outstanding at the end of the year		-	-
(Face Value of Rs.10/- each unit, fully paid up)			
Outstanding units at the beginning of the year		-	-
Add :Units issued during the year		-	-
Less: Units redeemed during the year		-	-
Outstanding units at the end of the year		-	-

Schedule 2	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	-	-
Add: Premium on Units issued	-	-
Less: Premium on Units redeemed	-	-
Add: Transfer from General Reserve	-	-
Closing Balance	-	-
General Reserve		
Opening Balance	-	-
Add: Transfer from Revenue Account	-	-
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	-	-
Unrealised Appreciation Account		
Opening Balance	-	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	-	-
Closing Balance	-	-
Total	-	-

Schedule 3	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	-	-
Book Overdraft	-	-
Redemption Payable	-	-
TDS Payable	-	-
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	-	-

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2021

Schedule 4	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	-	-
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
Total	-	-

Schedule 5	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deposits		
Deposits with Scheduled Banks	-	-
Total	-	-

Schedule 6	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Other Current Assets		
Balances with bank in a current account	-	-
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	-	-
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	-	-

NATIONAL PENSION SYSTEM TRUST

NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - Corporate CG

SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by ICRA Analytics Ltd. (ICRA) and custodian is Stock Holding Corporation of India Ltd. (SHCIL).

2. CRA's responsibilities includes:
   a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
   b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
   c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
   d. PRAN Transaction Statement,
   e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
   f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated SHCIL as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.

4. ICRA has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. ICRA also updates the rating of Bonds.

5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.

6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

B. Scheme particulars

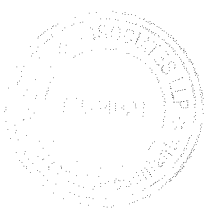
1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.

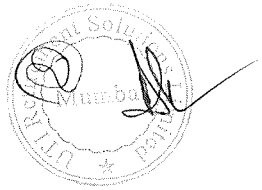
2. **Commencement:** The Scheme commenced its operations on 5th November, 2012.

3. **Investment pattern to be followed as per the PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.





C. Significant Accounting Policies

1. **Basis of Accounting**: The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

3. **Covid 19 Uncertainties:**
   The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered. Further, the extent of which the COVID-19 pandemic will impact the Scheme revenue will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and likely Government action relating to the Covid-19.

4. **Investments:**
   a. Investments are accounted on trade date.
   b. Cost is determined on the basis of weighted average cost.
   c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
   d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
   e. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges.
   f. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. As per PFRDA letter dated 27/07/2020 the stamp duty charges will be treated as an expense by the Pension Funds.
   g. Investments are reconciled with the custodian records on daily basis.
   h. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Valuation policy was amended in previous year w.e.f 01st January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01st January, 2020 are on the basis of revised methodology.

   Investments are valued using the price determined in the following manner:

   A) <u>Valuation of Equity and Equity related Instruments</u>

   a. Equity:
      i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.

ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.

b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

B) Valuation of Debt Instruments

I) Valuation Policy up to 31st December, 2019

a. Debentures, corporate bonds, commercial papers and certificate of deposits:

ii. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

iii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformity over the remaining maturity period of the instrument.

iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.

v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

vii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

viii. Partly paid bonds are valued at cost till it is fully paid.

ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular valuation day. When such securities are not traded on a particular valuation day then they are valued at amortized cost.

b. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

c. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

II) Valuation Policy w.e.f 1st January 2020

a) **Valuation of Debt Securities (other than government securities)**
Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

i) **All Instruments/Securities with residual maturity of more than 30 days :**

a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.

b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.

c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently ±0.025%, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency.

b) **Government Securities:**

i) **Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

c) **Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

7. **Income Recognition:**
   a. Dividend income is accrued on the "ex-dividend" date.
   b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
   c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
   d. Interest on Fixed Deposits is accounted on accrual basis.
   e. Profit /Loss of sale of Investment
      1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
      2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. **Investment Management Fees**: In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ NIL	₹ NIL

* excluding GST
** including GST

E. **NPS Trust Charges**: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The NPS Trust Charges was stopped on 25th January, 2019 and resumed on 1st August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.005%	₹ NIL	₹ NIL

F. **Purchase/Sale of Investments**: The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

G. The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2021 is ₹ NIL. (Previous Year ₹ NIL)

H. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2021	As on 31st March, 2020
₹ 10.0000	₹ 10.0000

I. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

A. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

B. **Income Taxes:**

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

C. Other disclosures:

Particulars	Current Year	Previous Year
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

N. **Investment in associates and group companies:** ₹ Nil (Previous Year: ₹ Nil)

D. The Key Statistics for the Financial Year 2020-21 as compared to the Previous Year is attached as per Annexure A.

For C N K & Associates LLP
Chartered Accountants
FRN.: 101961W/W-100036

Hiren Shah
Partner
M. No. - 100052

Date : 14 JUL 2021
Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer & Whole Time Director
DIN : 01846261
Date : 27/04/2021
Place : Mumbai

Imtaiyazur Rahman
Chairman & Director
DIN: 01818725

For and on behalf of NPS Trust

Atanu Sen
(Chairman, NPS Trust Board)
Date : 02 JUL 2021
Place : Mumbai

Sashi Krishnan
(Chief Executive Officer, NPS Trust)
28 JUN 2021

Key Statistics

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Corporate CG

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020	Remarks/Formula/Method of Cal.
1	**NAV Per Unit (Rs.)***			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	NA	NA	Closing NAV as on 1st April of the Current F Y
	High	NA	NA	Highest NAV during the F Y
	Low	NA	NA	Lowest NAV during the F Y
	End	NA	NA	Closing NAV as on 31st March of the Current F Y
2	**Closing Assets Under Management (Rs. In Lakhs)**			
	End	0.00	0.00	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	0.00	0.00	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	**Gross income as % of AAUM**	-	-	Gross Income = Total Income as per Revenue Account
4	**Expense Ratio**			
a	Total Expense as % of AAUM (Scheme wise)	-	-	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	-	-	IM fees (Including applicable Taxes) as per Revenue Account
5	**Net Income as a percentage of AAUM**	-	-	Net Income = Surplus / Deficit as per Revenue Account
6	**Portfolio turnover ratio**	-	-	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	**Returns (%)* Compounded Annualised Yield**			
	Last 1 Year	NA	NA	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)
	Last 3 Years	NA	NA	
	Last 5 Years	NA	NA	
	Last 10 Years	NA	NA	
	Since Launch of the scheme (5th November, 2012)	NA	NA	

** Declared NAV; Returns calculated based on declared NAV*