



# Annual Report of NPS Schemes

Managed by

**UTI Retirement Solutions Limited**

**For the Financial Year 2019 – 20**

**Registered Office:**

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Annual Report of NPS Schemes for FY 2019 – 20

Index		
Sr. No.	Particulars	Page no.
<b>A.</b>	<b>Annual Report of NPS Schemes managed by UTI Retirement Solutions Limited for the FY 2019 – 20</b>	
1.	Introduction	2 - 6
2	Operation and future outlook	7
3	Market Outlook for FY 2020 – 21	8 – 11
4	Liabilities and responsibility of Pension Fund Manager (PF)	12 – 13
5	Investment Objectives of NPS Schemes	13 – 15
6	Basis and Policy of Investment	15 - 16
7	Declaration	17
8	Fund Facts & Performance	18 – 22
9	Key Statistics	22
10	Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2019-20 and Auditors Certificate thereon	23, 26A & 26B
11	Extracts of the minutes of Board meeting	24 – 25
<b>B.</b>	<b>Financial Statements of NPS Schemes and Auditors' Report thereon for the Financial Year 2019 – 20:-</b>	
i.	Combined Annual Audited Financial Statements of Accounts of all NPS Schemes as at 31 <sup>st</sup> March, 2020	27 – 48
ii.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I	49 – 70
iii.	NPS Trust – A/C UTI Retirement Solutions Scheme E – Tier II	71 – 92
iv.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I	93 – 117
v.	NPS Trust – A/C UTI Retirement Solutions Scheme C – Tier II	118 – 142
vi.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I	143 – 161
vii.	NPS Trust – A/C UTI Retirement Solutions Scheme G – Tier II	162 – 179
viii.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I	180 – 199
ix.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Central Govt.	200 – 224
x.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – State Govt.	225 – 248
xi.	NPS Trust – A/C UTI Retirement Solutions NPS Lite Scheme – Govt. Pattern	249 – 272
xii.	NPS Trust – A/C UTI Retirement Solutions Scheme – Atal Pension Yojana (APY)	273 – 296
xiii.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Corporate CG	297 – 316



## 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 1<sup>st</sup> 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. 7<sup>th</sup> 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 1<sup>st</sup> 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. 01<sup>st</sup> April, 2019 and they are:**

- 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
- 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

### **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
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](http://www.pfrda.org.in) and [www.npstrust.org.in](http://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, 2020 the company was managing following 12 schemes:

Sr. No.	Name of Scheme	AUM (₹ in Crore)	
		As on 31/03/2020	As on 31/03/2019
1.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I	370.04	378.21
2.	NPS Trust–A/C UTI Retirement Solutions Scheme E – Tier II	21.63	23.31
3.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I	299.42	216.34
4.	NPS Trust–A/C UTI Retirement Solutions Scheme C – Tier II	16.54	12.91
5.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I	479.04	329.66
6.	NPS Trust–A/C UTI Retirement Solutions Scheme G – Tier II	24.22	16.84
7.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I*	1.99	1.14
8.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Central Govt.	46,101.68	36,561.28
9.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – State Govt.	70,375.78	52,938.99
10.	NPS Trust – A/C UTI Retirement Solutions Ltd. – NPS Lite Scheme –Govt. Pattern	1,056.70	964.68
11.	NPS Trust – A/C UTI Retirement Solutions Scheme – Atal Pension Yojana	3,453.86	2,264.46
12.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme –Corporate CG	0.00	0.00
	<b>Total</b>	<b>1,22,200.90</b>	<b>93,707.82</b>

\* The scheme started its operation w.e.f. 14<sup>th</sup> October, 2016

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 proposed 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.





### 3. Market Outlook for FY 2020 – 21

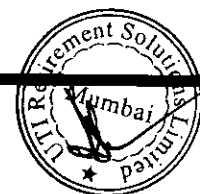
#### (a) **Equity Market**

Fiscal 2020 was a year of high volatility with the NIFTY 50 index hitting an all-time high in January 2020 followed by one of the sharpest monthly declines in Mar'20 due to concerns about the impact of COVID-19 on the economy. Sharp correction in March 2020, resulted in large-caps giving up their modest gains and ending fiscal 2020 with a decline of 26% (Nifty 50) while the Nifty midcap 100 and Nifty smallcap 100 Indices fell by 36% and 46% respectively. Gold outperformed other asset-classes in the financial year 2020, wherein MCX gold gave return of 29.7% compared to CRISIL Bond Index at 12.7% and NIFTY 50 at -26%.

Fiscal 2020 started on a positive note for equities. But the market was polarised with a handful of stocks contributing to the bulk of the performance. Risks of global slowdown started building up as the US yield curve inverted in the backdrop of an escalating trade war.

Acknowledging the risks to global growth, most central banks such as the US FED, ECB and PBOC turned dovish in the second half of calendar year 2019, thereby improving the outlook for interest rates and liquidity. Improving outlook for global liquidity resulted in a pickup in EM equities including India from the beginning of third quarter of Fiscal 2020. Rising risk appetite also resulted in a pick-up in broader markets in the form of mid and small caps. But all of this was reversed as the COVID-19 pandemic rocked markets in February & March.

On the economy front, India's growth continued to decline through the year with the Q1 growth of 5.6% dipping to 4.7% for Q3 of Fiscal 2020. Headline inflation however continued to rise through the year on the back of low base and a pick up in food inflation towards the end of the year largely driven by vegetable prices as



extended rainfall impacted supply. Inflation(CPI)hit a peak of 7.6% in January 2020 and is expected to decline hereafter. Investment cycle continued to be subdued with private capex remaining muted and reflected in Gross fixed capital formation dipping marginally to 30% of GDP as per the second advanced estimates for fiscal 2020.

Other key highlights of Financial Year 2019 were:

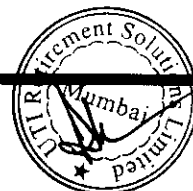
➤ FY20 institutional flow: While Foreign Portfolio Investors were net buyers across most of FY20, but heavy selling in Mar'20 (US\$8.4bn) has resulted in net outflows of US\$645mn for FY20. Domestic institutional investors (DIIs) were net buyers across months with total inflows at US\$17.9bn for FY20. Mutual funds remained net buyers with an inflow of close to \$12.7bn. Systematic Investment Plan (SIP) portion of mutual fund inflows stayed robust, with average monthly run-rate of Rs 83.4 bn in FY20.

➤ While all key sector indices ended FY20 in the red, various sector indices like BSE Telecom (-5%), NSE FMCG (-10%) and NSE IT (-18%) outperformed Nifty50 Index (-26%) while NSE PSU Banks (-60%), NSE Media (-58%) and NSE Metals (-48%) underperformed the Nifty50 (-26%).

➤FY20 witnessed recovery in primary market activity with fund raising via IPOs, FPOs, OFS, Rights issue etc. rising from Rs505bn in FY19 to Rs1.45trn in FY20.

### **Market Outlook**

The Spread of COVID 19 and the lockdown to contain it will result in a decline in economic activity in near term. Recent policy actions taken by the central bank to cut rates and inject liquidity would help businesses in the interim. Further support to address credit & cash flow issues may also be required. Fiscal support will also be needed – first to address the humanitarian & health crisis and then to support and revive economic activity. The timeline and process of the exit from the lockdown will be determined by scientific efforts to develop medication and



vaccines to counter the virus. The speed and trajectory of a recovery in economic activity from this lockdown will be determined by the fiscal and monetary policies that we adopt.

Nifty 50 earnings are estimated to grow at 19% CAGR for next two year on base of FY20E (Bloomberg estimates). Given the lack of clarity on how and when the economy will exit from this lockdown we would not rely on these numbers. However even on a trailing basis - Valuations are attractive. The Nifty 50 Index & Nifty Midcap 100 Index are now trading below long-term average P/E. Further the P/Book ratio has dropped to significantly below the long-term average and is only marginally above past troughs. Our focus is on stock selection – a negative impact on near term earnings is inevitable but the sustainability of long-term earnings power, strength of balance sheet& cash flows and ability to emerge stronger from this challenging period will drive our choices.

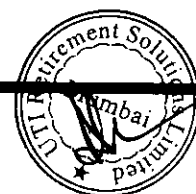
**(b) Fixed Income Market Outlook:**

The outbreak of coronavirus has had a severe impact on markets with high volatility, risk aversion which has lead to illiquidity and redemption in bond markets, massive sell off by FII's and consequent pick up in yields. 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 . The IMF has estimated the world economies to be moving into recession in FY 21 with India being one of the few countries with small positive growth. However, in FY 22 India is expected to grow above 7 percent .Inflation ,which had come off in Feb has slipped further to 5.9 percent approx for March 20 (as per NSO) , on back of lower food and oil prices ,providing more space for Policy action.

We have seen Governments/central bankers across the globe take a number of measures on liquidity, providing monetary/fiscal stimulus in order to support the markets. RBI also has announced a number of monetary Policy measures as well as provided liquidity in order to reduce the impact of Covid19, help lower widening spreads in markets and has assured continued support. However, due to uncertainty, even as RBI cut Repo by 75 bps and also announced number of measures including OMO s, the spreads remained elevated in markets. The market volumes continue to be very low over the last few months further disrupted by lockdowns /work from home etc.

Going forward the accommodative stance and high stimulus packages announced by Central bankers/governments across the globe are expected to be supportive of debt markets, once more clarity emerges on full impact of Covid19. The high liquidity in system should see more FII flows into the country as we are expected to be amongst the highest growth countries over the next few years. Also, the impact of Covid19 has so far been relatively muted in India in comparison to other countries. Moreover, lower growth should see continuous stimulus to support the markets. If need arises, there is also a possibility of RBI subscribing to government debt directly in primary markets, which is expected to keep G-sec yield under control despite a large fiscal breach. Lower inflation and expected normal monsoon, along with present high credit spreads offer good investment opportunities for long funds like us. However, concerns 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.

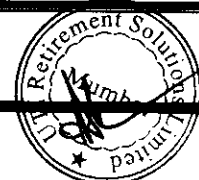
The Funds investment philosophy continues to remain conservative with focus on high credit, low volatility and risk parameters with no fresh exposure below AA+. We remain cautious with a long term strategy to continue to add weights at higher yields on volatility while remaining watchful of data points. 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.



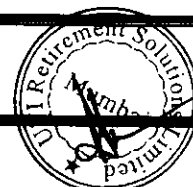
- e. The PF shall not give any undue or unfair advantage to any associates or deal with any of the associates of the Pension Fund in any manner detrimental to interest of the Subscribers.
- f. The PF shall be responsible for the acts of commissions or omissions by its employees or the persons whose services 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:-
2.	Scheme E – Tier II	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 or 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



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; 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	
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.



8.	Scheme Central Govt.	To optimize returns by investing in the instruments as per the following prescribed limits:	
9.	Scheme State Govt.	<b>Instrument</b>	<b>Limit</b>
10.	NPS Lite Scheme – Govt. Pattern	Govt. Securities	Upto 55%
11.	Scheme Corporate CG	Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.	Upto 45%
12.	Scheme Atal Pension Yojana	Short Term Debt Instruments and related investments	Upto 10%
		Equity and related investments	Upto 15%
		Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%

### 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, 2020 is as under:

Rating	Central Govt. Scheme	State Govt. Scheme	Scheme C - Tier I	Scheme C - Tier II	NPS Lite Scheme	APY
AAA/equivalent /A1+for CP/CD	94.42%	96.23%	96.82%	96.37%	93.65%	98.65%
AA+	1.77%	0.56%	0.71%	1.29%	0.73%	0.00%
AA	1.90%	1.77%	0.86%	1.63%	3.57%	0.48%
AA-	0.50%	0.25%	0.00%	0.00%	0.78%	0.00%
Below AA-	1.41%	1.19%	1.61%	0.71%	1.27%	0.87%
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	<b>May 21, 2009</b>	
Fund size as on 31/03/2020	₹ 370.04 Crore	
NAV per unit as on 31/03/2020	₹ 21.6868	
<b>Performance as on 31/03/2020: -</b>		
<b>Period</b>	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (Nifty 100)</b>
Last 1 year	-27.81%%	-25.56%
Last 3 years	-3.22%	-1.66%
Last 5 years	0.77%	1.11%
Since inception	7.38%	7.66%

b) **Scheme E – Tier II:-**

Date of Inception	<b>December 14, 2009</b>	
Fund size as on 31/03/2020	₹ 21.63 Crore	
NAV per unit as on 31/03/2020	₹17.7142	
<b>Performance as on 31/03/2020: -</b>		
<b>Period</b>	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (Nifty 100)</b>
Last 1 year	-27.67%	-25.56%
Last 3 years	-3.00%	-1.66%
Last 5 years	0.81%	1.11%
Since inception	5.71%	5.82%

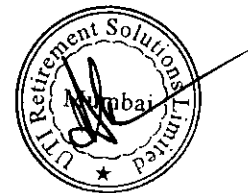


c) Scheme C – Tier I:-

Date of Inception	May 21, 2009	
Fund size as on 31/03/2020	₹ 299.42 Crore	
NAV per unit as on 31/03/2020	₹ 26.5444	
<b>Performance as on 31/03/2020: -</b>		
<b>Period</b>	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (CRISIL NPS – Corporate Bond Index)</b>
Last 1 year	10.50%	11.73%
Last 3 years	7.90%	8.11%
Last 5 years	8.90%	8.97%
Since inception	9.40%	9.14%

d) Scheme C – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2020	₹ 16.54 Crore	
NAV per unit as on 31/03/2020	₹25.5118	
<b>Performance as on 31/03/2020: -</b>		
<b>Period</b>	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (CRISIL NPS – Corporate Bond Index)</b>
Last 1 years	10.96%	11.73%
Last 3 years	8.14%	8.11%
Last 5 years	8.92%	8.97%
Since inception	9.52%	9.24%



e) Scheme G – Tier I:-

Date of Inception	May 21, 2009	
Fund size as on 31/03/2020	₹ 479.04 Crore	
NAV per unit as on 31/03/2020	₹25.3556	
<b>Performance as on 31/03/2020: -</b>		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Govt. Securities Index)
Last 1 year	14.40%	15.64%
Last 3 years	8.98%	8.96%
Last 5 years	9.14%	9.27%
Since inception	8.94%	8.18%

f) Scheme G – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2020	₹ 24.22 Crore	
NAV per unit as on 31/03/2020	₹26.1392	
<b>Performance as on 31/03/2020: -</b>		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Govt. Securities Index)
Last 1 year	14.66%	15.64%
Last 3 years	9.21%	8.96%
Last 5 years	9.37%	9.27%
Since inception	9.78%	8.95%

g) Scheme A – Tier I:-

Date of Inception	October 14, 2016	
Fund size as on 31/03/2020	₹ 1.99 Crore	
NAV per unit as on 31/03/2020	₹12.5500	
<b>Performance as on 31/03/2020: -</b>		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark
Last 1 year	6.18%	NA
Last 3 Years	6.87%	NA
Since inception	6.78%	NA

h) Scheme – Central Government:-

Date of Inception	April 01, 2008	
Fund size as on 31/03/2020	₹ 46,101.68 Crore	
NAV per unit as on 31/03/2020	₹ 29.4922	
<b>Performance as on 31/03/2020: -</b>		
<b>Period</b>	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (CRISIL NPS – Government Pattern Index)</b>
Last 1 year	7.02%	7.72%
Last 3 years	7.36%	7.12%
Last 5 years	8.36%	8.08%
Since inception	9.43%	8.94%

i) Scheme – State Government :-

Date of Inception	June 25, 2009	
Fund size as on 31/03/2020	₹ 70,375.78 Crore	
NAV per unit as on 31/03/2020	₹26.2850	
<b>Performance as on 31/03/2020: -</b>		
<b>Period</b>	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (CRISIL NPS – Government Pattern Index)</b>
Last 1 year	7.13%	7.72%
Last 3 years	7.32%	7.12%
Last 5 years	8.33%	8.08%
Since inception	9.39%	8.62%



j) NPS Lite Scheme –Govt. Pattern:-

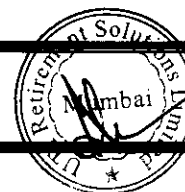
Date of Inception	October 04, 2010	
Fund size as on 31/03/2020	₹ 1,056.70 Crore	
NAV per unit as on 31/03/2020	₹24.3723	
<b>Performance as on 31/03/2020: -</b>		
Period	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (CRISIL NPS – Government Pattern Index)</b>
Last 1 year	6.53%	7.72%
Last 3 years	7.23%	7.12%
Last 5 years	8.19%	8.08%
Since inception	9.84%	8.64%

k) Scheme Atal Pension Yojana:-

Date of Inception	June 04, 2015	
Fund size as on 31/03/2020	₹ 3,453.86 Crore	
NAV per unit as on 31/03/2020	₹15.1103	
<b>Performance as on 31/03/2020: -</b>		
Period	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (CRISIL NPS – Government Pattern Index)</b>
Last 1 year	7.36%	7.72%
Last 3 years	7.34%	7.12%
Last 5 years	N/A	N/A
Since inception	8.93%	8.56%

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 2019-20**

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 2019–20 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 2019-20 is attached along with the Annual Report at page no 26A & 26B.

**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 31<sup>st</sup> March, 2020 attached along with the Annual Report at Page No. 24-25.

**For UTI Retirement Solutions Limited**

  
Bakam 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 27<sup>th</sup> April, 2020 at its Registered Office**

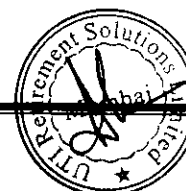
“Resolved,

that the Annual Statement of Accounts viz. Revenue Accounts for the year ended 31<sup>st</sup> March, 2020 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 26<sup>th</sup> April, 2020 and Annual Report of the following NPS Schemes managed by UTI Retirement Solutions Limited for the Financial Year 2019-20, 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)

“Resolved Further,

that the Combined Annual Statement of Accounts viz. Revenue Accounts for the year ended 31<sup>st</sup> March, 2020 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 26<sup>th</sup> April, 2020 of all the NPS Schemes managed by UTI Retirement Solutions Limited for the Financial Year 2019-20, 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 31<sup>st</sup> March, 2020 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 2019-20.”

**For UTI Retirement Solutions Limited**

  
(Chief Executive Officer &  
Whole Time Director)



UDIN: 20100052AAAACP9070

**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:

- 1) Quarterly voting reports on its website for Q1, Q2, Q3 and Q4 of the Financial year 2019-20;
- 2) Voting data and supporting documents maintained by the Pension Fund Manager with respect to the voting reports disclosed; and
- 3) 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 2019-20 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 the voting reports cover all relevant investee Companies; and
- b) The voting decisions taken by the Management of the Pension Fund Manager.

**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 Shah**  
**Partner**  
Membership No.: 100052

Place: Mumbai  
Date: 26<sup>th</sup> June, 2020

Ref: CERT/ VLP/110/2020-21  
UDIN: 20100052AAAACP9070





Retirement Solutions

## UTI Retirement Solutions Limited

# Combined Annual Audited Financial Statements Of Accounts of all the NPS Schemes As at 31st March, 2020

### Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

### **Registered Office:**

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

**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 31<sup>st</sup> March, 2020 and Combined Revenue Account for the period 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

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 31<sup>st</sup> March, 2020.



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 31.03.2020 with respect to Emphasis of Matters.
2. Separate scheme wise financial statements have been prepared for the year ended 31st March, 2020 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  
ERN:101961W / W-100036

  
Hiren Shah  
Partner



Membership No.: 100052

UDIN : 20100052 AAAAFC6243

Place: Mumbai

Date:

14 SEP 2020

**NATIONAL PENSION SYSTEM TRUST  
UTI RETIREMENT SOLUTIONS LIMITED  
COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	45627 10 63 472	37262 75 84 165
Reserves and Surplus	2	76573 80 36 822	56445 06 27 673
Current Liabilities and Provisions	3	9 44 62 229	18 10 66 493
<b>Total</b>		<b>122210 35 62 523</b>	<b>93725 92 78 331</b>
<b>Assets</b>			
Investments	4	119701 58 51 286	91259 19 33 256
Deposits	5	51 29 19 492	373 63 59 394
Other Current Assets	6	2457 47 91 745	2093 09 85 681
<b>Total</b>		<b>122210 35 62 523</b>	<b>93725 92 78 331</b>
(a) Net assets as per Balance Sheets		122200 91 00 294	93707 82 11 838
(b) Number of units outstanding		4562 71 06 346	3726 27 58 415
Significant Accounting Policies and Notes to Accounts	7		


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

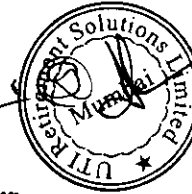
For CNK & Associates LLP (FRN 101961W/W-100036)  
Chartered Accountants

  
Hiran Shah  
Partner  
Membership No.: 100052



For UTI Retirement Solutions Ltd.

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




  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 14 SEP 2020  
Place: Mumbai

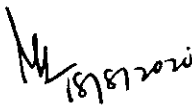
Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

  
Atanu Sen  
(Chairman, NPS Trust Board)



Date: 02/09/2020  
Place: ~~Mumbai~~ KOLKATA

  
Munish Malik  
(Chief Executive Officer, NPS Trust)



**NATIONAL PENSION SYSTEM TRUST  
UTI RETIREMENT SOLUTIONS LIMITED  
COMBINED REVENUE ACCOUNT OF ALL SCHEMES FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		198 40 46 280	136 91 42 437
Interest		7001 80 65 628	5284 38 76 132
Profit on sale/redemption of investments		239 91 63 953	200 59 34 209
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		5128 28 50 478	2714 04 60 395
Other income			
- Miscellaneous Income		34 080	77 485
<b>Total Income (A)</b>		<b>12568 41 60 419</b>	<b>8335 94 90 658</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		5027 84 73 565	1069 93 15 877
Loss on sale/redemption of investments		113 25 16 892	43 18 74 953
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		13 16 38 307	9 56 07 647
NPS Trust fees		3 81 93 592	3 16 03 510
Custodian fees (including GST)		3 36 29 317	2 84 13 643
Depository and settlement charges (including GST)		1 12 99 683	59 72 983
CRA Fees		23 07 69 398	15 94 86 524
Less: Amount recoverable on sale of units on account of CRA Charges		(23 07 69 398)	(15 94 86 524)
Provision for Non-Performing Assets		559 49 85 522	23 75 14 479
Other Expenses		6 61 236	-
<b>Total Expenditure (B)</b>		<b>5722 13 98 114</b>	<b>1153 03 03 092</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>6846 27 62 305</b>	<b>7182 91 87 566</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(100 43 76 913)	(1644 11 44 518)
Less: Amount transferred (to) / from General Reserve		(6745 83 85 392)	(5538 80 43 048)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

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

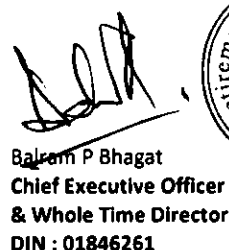
  
Hiren Shah  
Partner



Membership No.: 100052

Date: 14 SEP 2020  
Place: Mumbai

For UTI Retirement Solutions Ltd

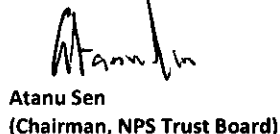
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261



  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

  
Atanu Sen  
(Chairman, NPS Trust Board)



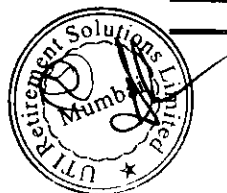
Date: 02/09/2020  
Place: Mumbai KOLKATA

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	37262 75 84 165	29875 24 19 373
Add :Units issued during the year	8746 30 47 845	7662 65 17 628
Less: Units redeemed during the year	(381 95 68 538)	(275 13 52 836)
<b>Outstanding at the end of the year</b>	<b>45627 10 63 472</b>	<b>37262 75 84 165</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	3726 27 58 415	2987 52 41 937
Add :Units issued during the year	874 63 04 785	766 26 51 763
Less: Units redeemed during the year	(38 19 56 855)	(27 51 35 285)
<b>Outstanding units at the end of the year</b>	<b>4562 71 06 346</b>	<b>3726 27 58 415</b>
Schedule 2	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	33136 71 25 718	23482 59 60 803
Add: Premium on Units issued	13830 28 45 283	9990 90 49 836
Less: Premium on Units redeemed	(547 81 98 439)	(336 78 84 921)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>46419 17 72 562</b>	<b>33136 71 25 718</b>
<b>General Reserve</b>		
Opening Balance	19092 80 50 555	13554 00 07 507
Add: Transfer from Revenue Account	6745 83 85 392	5538 80 43 048
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>25838 64 35 947</b>	<b>19092 80 50 555</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	4215 54 51 400	2571 43 06 882
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	100 43 76 913	1644 11 44 518
Closing Balance	<b>4315 98 28 313</b>	<b>4215 54 51 400</b>
<b>Total</b>	<b>76573 80 36 822</b>	<b>56445 06 27 673</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	5 36 06 166	3 86 68 045
Book Overdraft	-	-
Redemption Payable	3 94 39 249	8 00 21 253
TDS Payable	14 16 814	10 83 942
Contracts for purchase of investments	-	6 12 93 253
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>9 44 62 229</b>	<b>18 10 66 493</b>

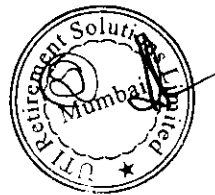


**NATIONAL PENSION SYSTEM TRUST  
UTI RETIREMENT SOLUTIONS LIMITED**  
NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2020

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	11373 21 10 259	13106 02 98 079
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	43274 13 04 560	32653 94 29 336
Central and State Government Securities (including treasury bills)	63240 09 57 842	45079 62 15 535
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	1814 14 78 625	297 10 04 785
Non Convertible Debentures classified as NPA	503 25 00 000	131 25 00 000
Less: Provision on Non performing investment	(503 25 00 000)	(8 75 14 479)
<b>Total</b>	<b>119701 58 51 286</b>	<b>91259 19 33 256</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	51 29 19 492	373 63 59 394
<b>Total</b>	<b>51 29 19 492</b>	<b>373 63 59 394</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	3 33 185	116 31 57 340
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	64 64 59 317	24 02 84 703
Less: Provision for interest on Non-Performing Investment	(64 64 59 317)	(24 02 84 703)
Outstanding and accrued income	2424 20 24 364	1929 10 11 876
Dividend Receivable	2 27 89 060	2 42 48 648
Brokerage receivable from PFM	-	2 998
Application money pending allotment	-	-
Sundry Debtors	30 96 45 136	20 25 64 819
Redemption receivable on Non performing Investment	80 00 00 000	40 00 00 000
Less: Provision for Non Performing Investment	(80 00 00 000)	(15 00 00 000)
<b>Total</b>	<b>2457 47 91 745</b>	<b>2093 09 85 681</b>



## 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, 2020

##### 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 and custodian is 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 Stock Holding Corporation of India Ltd. (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 Analytics Ltd. (ICRA) - 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	21 <sup>st</sup> May, 2009
2.	Scheme E - Tier II	14 <sup>th</sup> December, 2009
3.	Scheme C - Tier I	21 <sup>st</sup> May, 2009
4.	Scheme C - Tier II	14 <sup>th</sup> December, 2009
5.	Scheme G - Tier I	21 <sup>st</sup> May, 2009
6.	Scheme G - Tier II	14 <sup>th</sup> December, 2009
7.	Scheme A - Tier I	14 <sup>th</sup> October, 2016
8.	Scheme - Central Govt.	1 <sup>st</sup> April, 2008
9.	Scheme - State Govt.	25 <sup>th</sup> June, 2009
10.	NPS Lite Scheme - Govt. Pattern	4 <sup>th</sup> October, 2010
11.	Scheme - Corporate CG	5 <sup>th</sup> November, 2012
12.	Atal Pension Yojana	4 <sup>th</sup> 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;
2.	Scheme E - Tier II	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
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; b. Basel III Tier - 1 Bonds issued by scheduled commercial banks under RBI Guidelines;
4.	Scheme C - Tier II	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
6.	Scheme G - Tier II	c. Units of mutual funds set up as dedicated funds for investment in Government securities and regulated by the SEBI.



7.	Scheme A - Tier I	To optimize returns through investments in: - 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 e. Alternative Investment Funds (AIF Category I & II) registered with Securities and Exchange Board of India.													
8.	Scheme - Central Govt.	To optimize returns by investing in the instruments as per the following prescribed limits: -													
9.	Scheme - State Govt.	<table border="1"> <thead> <tr> <th>Instrument</th> <th>Limit</th> </tr> </thead> <tbody> <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> </tbody> </table>		Instrument	Limit	Govt. Securities	Upto 55%	Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.	Upto 45%	Short Term Debt Instruments and related investments	Upto 10%	Equity and related investments	Upto 15%	Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%
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10.	NPS Lite Scheme - Govt. Pattern														
11.	Scheme - Corporate CG														
12.	Atal Pension Yojana														

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 and stamp charges but exclude brokerage and other transactional charges.
  - f. Investments are reconciled with the custodian records on daily basis.
  - g. As per Investment Management Agreement dated 18th April, 2012 for Government Sector and Investment Management Agreement dated 24th July, 2015 for Private Sector, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> January, 2020 are on the basis of revised methodology. Due to this revision, investments Value are reduced by Rs. 271.45 crores on 31<sup>st</sup> March, 2020.

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 31<sup>st</sup> 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 uniformly 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 1<sup>st</sup> 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  $\pm 0.025\%$ , i.e.  $\pm 2.5$  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 which is attached herewith.

**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 45627062027.4257 and the balance 44318.2270 have been identified as residual units with CRA.

Total 5303173.4088 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 231424.4386 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 ₹ 13,16,38,307/- (Previous Year ₹ 9,56,07,647/-) 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> August, 2019. The basis of NPS Trust Charges and aggregate NPS Trust Fees are ₹ 3,81,93,592/- (Previous Year ₹ 3,16,03,510/-).

**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	%
1,27,163.23	116.18	96,927.93	88.56	1,27,383.06	160.22	1,04,428.85	131.35



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, 2020 is ₹ 19,276.15 Crores (Previous Year ₹ 14,244.32 Crores).

I. Net Asset Value:

Sr. No.	Name of Scheme	Current Year	Previous Year
		As on 31st March, 2020 (in ₹)	As on 31st March, 2019 (in ₹)
1.	Scheme E - Tier I	21.6868	30.0412
2.	Scheme E - Tier II	17.7142	24.4907
3.	Scheme C - Tier I	26.5444	24.0223
4.	Scheme C - Tier II	25.5118	22.9910
5.	Scheme G - Tier I	25.3556	22.1649
6.	Scheme G - Tier II	26.1392	22.7962
7.	Scheme A - Tier I	12.5500	11.8195
8.	Scheme - Central Govt	29.4922	27.5576
9.	Scheme - State Govt.	26.2850	24.5351
10.	NPS Lite Scheme - Govt. Pattern	24.3723	22.8775
11.	Scheme - Corporate CG	10.0000	10.0000
12.	Atal Pension Yojana	15.1103	14.0746

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:

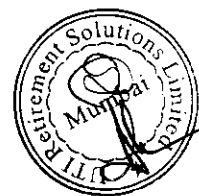
Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
12,568.42	11.48	5,722.14	5.23	8,335.95	10.49	1,153.03	1.45

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 31<sup>st</sup> March, 2020 is as under:

₹ in Crores

Particular	As on 31st March, 2020****	As on 31st March, 2019
Book Value	583.25	214.79
Provision for NPA	583.25	23.76
Carrying Cost	-	191.03
Market Value***	-	-
% of NPA (Gross) to AUM	0.48	0.23

\*\*\* 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 31<sup>st</sup> March, 2020 is ₹ 10,07,97,650 towards uncalled amount of ₹ 461 per shares on 2,18,650 Partly Paid shares of Tata Steel 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 31<sup>st</sup> March, 2020 is ₹ NIL. (Previous Year ₹ Nil)

P. The investment in Air India Bond has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

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	₹ 96,724.00	₹ 1,561.29	₹ 1,03,205.03	₹ 246.49





- S. **Portfolio:** Please refer scheme wise financials for industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2020.
- T. The Key Statistics for the Financial Year 2019-20 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 SEP 2020

Place: Mumbai



For UTI Retirement Solutions Ltd.

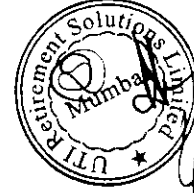
  
Baham P Bhagat

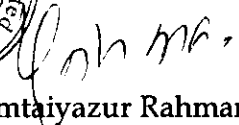
Chief Executive Officer  
& Whole Time Director

DIN: 01846261

Date: 27/04/2020

Place: Mumbai

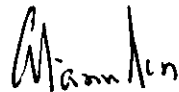


  
Imtaiyazur Rahman

Chairman & Director

DIN: 01818725

For and on behalf of NPS Trust

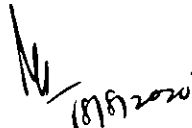
  
Atanu Sen

(Chairman, NPS Trust Board)

Date: 02/09/2020

Place: Mumbai KOLKATA

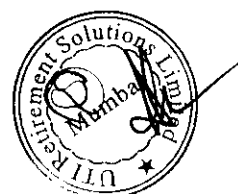


  
18/9/2020

Munish Malik

(Chief Executive Officer, NPS Trust)

<b>UTI Retirement Solutions Limited</b>			
<b>Combined Key Statistics of all NPS Scheme</b>			
S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	Open	NA	NA
	High	NA	NA
	Low	NA	NA
	End	NA	NA
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	1,22,20,091.00	93,70,782.11
	Average (AAUM)	1,09,45,192.76	79,50,314.67
<b>3</b>	<b>Gross income as % of AAUM</b>	11.48%	10.49%
<b>4</b>	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0196%	0.0203%
b	Management Fee as % of AAUM	0.0120%	0.0120%
<b>5</b>	<b>Net Income as a percentage of AAUM</b>	6.26%	9.03%
<b>6</b>	<b>Portfolio turnover ratio</b>	2.19%	1.06%
<b>7</b>	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	NA	NA
	Last 3 Years	NA	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme	NA	NA
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 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 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

#### **Registered Office:**

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

**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on the Audit of Financial Statements****Opinion**

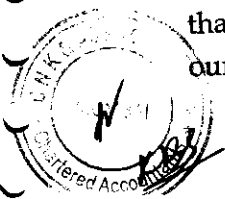
We have audited the accompanying financial statements of National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme E TIER I (the Scheme) managed by UTI Retirement Solutions Limited (UTI RSL or PFM) which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- b) in the case of the Revenue Account, of the deficit 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.1,65,09,900.78 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs. 22,50,136.28) 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.

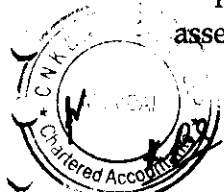
Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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: 20100052AAAAFB6590

Place: Mumbai

Date:

14 SEP 2020



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	170 63 02 565	125 89 53 097
Reserves and Surplus	2	199 41 20 353	252 31 00 401
Current Liabilities and Provisions	3	37 54 287	1 30 99 203
<b>Total</b>		<b>370 41 77 205</b>	<b>379 51 52 701</b>
<b>Assets</b>			
Investments	4	370 32 61 135	375 68 18 196
Deposits	5	-	2 63 62 311
Other Current Assets	6	9 16 070	1 19 72 194
<b>Total</b>		<b>370 41 77 205</b>	<b>379 51 52 701</b>
(a) Net assets as per Balance Sheets		370 04 22 918	378 20 53 498
(b) Number of units outstanding		17 06 30 256	12 58 95 310
Significant Accounting Policies and Notes to Accounts	7		

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

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



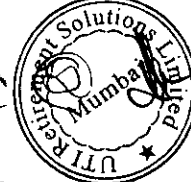
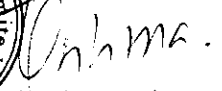
Hiren Shah  
Partner  
Membership No.: 100052



For UTI Retirement Solutions Ltd.



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

Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 17 4 SEP 2020  
Place: Mumbai

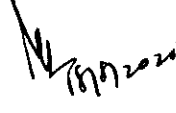
Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLKATA

Munish Malik  
(Chief Executive Officer, NPS Trust)



**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, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		5 61 69 223	3 64 02 821
Interest		63 791	8 306
Profit on sale/redemption of investments		6 59 07 979	2 14 20 302
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		6 48 35 648	46 78 58 429
Other income			
- Miscellaneous Income		297	885
<b>Total Income (A)</b>		<b>18 69 76 938</b>	<b>52 56 90 743</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		148 93 67 423	15 81 03 160
Loss on sale/redemption of investments		3 22 95 330	52 92 727
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		4 91 102	3 31 575
NPS Trust fees		1 42 971	1 10 547
Custodian fees (including GST)		1 15 172	91 254
Depository and settlement charges (including GST)		43 775	13 996
CRA Fees		31 13 030	26 78 744
Less: Amount recoverable on sale of units on account of CRA Charges		( 31 13 030)	( 26 78 744)
Provision for Non-Performing Assets		-	-
Other Expenses		710	-
<b>Total Expenditure (B)</b>		<b>152 24 56 483</b>	<b>16 39 43 259</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>(133 54 79 545)</b>	<b>36 17 47 484</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		142 45 31 775	(30 97 55 269)
Less: Amount transferred (to) / from General Reserve		(8 90 52 230)	(5 19 92 215)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

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

14 SEP 2020

Date:

Place: Mumbai



For UTI Retirement Solutions Ltd.



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





Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020

Place: Mumbai

For and on Behalf of NPS Trust

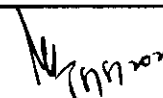


Atanu Sen  
(Chairman, NPS Trust Board)

Date: 07/09/2020

Place: Mumbai KOLKATA





Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	125 89 53 097	84 72 90 587
Add :Units issued during the year	58 32 90 836	49 06 83 350
Less: Units redeemed during the year	(13 59 41 368)	(7 90 20 840)
<b>Outstanding at the end of the year</b>	<b>170 63 02 565</b>	<b>125 89 53 097</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	12 58 95 310	8 47 29 059
Add :Units issued during the year	5 83 29 083	4 90 68 335
Less: Units redeemed during the year	(1 35 94 137)	(79 02 084)
<b>Outstanding units at the end of the year</b>	<b>17 06 30 256</b>	<b>12 58 95 310</b>
<b>Schedule 2</b>		
	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	174 98 60 063	99 51 40 587
Add: Premium on Units issued	106 71 31 679	90 01 17 677
Less: Premium on Units redeemed	(26 06 32 182)	(14 53 98 201)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>255 63 59 560</b>	<b>174 98 60 063</b>
<b>General Reserve</b>		
Opening Balance	14 07 37 246	8 87 45 031
Add: Transfer from Revenue Account	8 90 52 230	5 19 92 215
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>22 97 89 476</b>	<b>14 07 37 246</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	63 25 03 092	32 27 47 823
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(142 45 31 775)	30 97 55 269
<b>Closing Balance</b>	<b>(79 20 28 683)</b>	<b>63 25 03 092</b>
<b>Total</b>	<b>199 41 20 353</b>	<b>252 31 00 401</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	1 90 843	1 31 606
Book Overdraft	-	-
Redemption Payable	35 58 796	29 66 854
TDS Payable	4 648	3 893
Contracts for Purchase of Investments	-	99 96 850
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>37 54 287</b>	<b>1 30 99 203</b>



Total



**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, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	359 35 21 092	366 82 56 021
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	10 89 81 299	8 85 62 175
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>370 32 61 135</b>	<b>375 68 18 196</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	2 63 62 311
<b>Total</b>	<b>-</b>	<b>2 63 62 311</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	1 15 200	1 14 85 802
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	8 306
Dividend Receivable	7 66 150	4 75 088
Brokerage receivable from PFM	-	2 998
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>9 16 070</b>	<b>1 19 72 194</b>



## 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, 2020

##### A. Background

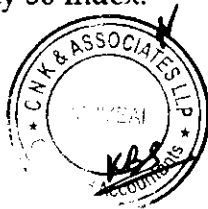
1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the 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 and custodian is 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 Stock Holding Corporation of India Ltd. (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 Analytics Ltd. (ICRA) - 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 21<sup>st</sup> 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 crore 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.



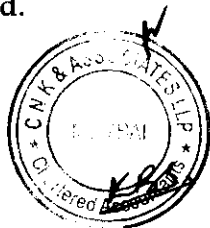
- (d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.
- (e) Exchange traded derivatives regulated by Securities and Exchange Board of India having the underlying of any permissible listed stock or any 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.

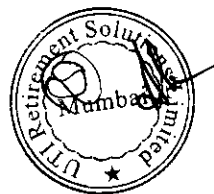


**3. Covid 19 Uncertainties:**

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 and stamp charges but exclude brokerage and other transactional charges.
- f. Investments are reconciled with the custodian records on daily basis.
- g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> January, 2020 are on the basis of revised methodology. Due to this revision, investments value are reduced by Rs. 791 on 31<sup>st</sup> March, 2020.

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

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

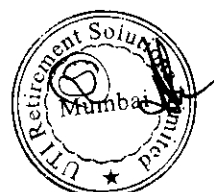
**a. Equity:**

- 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 31<sup>st</sup> 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



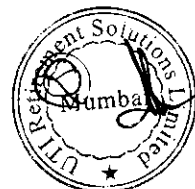


between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.

- 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 1<sup>st</sup> 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  $\pm 0.025\%$ , i.e.  $\pm 2.5$  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%	₹ 4,91,102	₹ 3,31,575

\* 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 170630179.8612 and the balance 76.5498 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 1,42,971	₹ 1,10,547

- 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	%
966.32	231.99	832.58	199.89	1,490.80	529.94	1,370.77	487.27

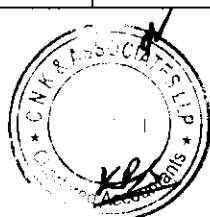
- H. The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2020 is ₹ 7,58,744. (Previous Year ₹ NIL).

- I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 21.6868	₹ 30.0412

- 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	%
18.70	4.49	152.25	36.55	52.57	18.69	16.39	5.83



**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 31<sup>st</sup> March, 2020 is ₹ 11,06,400 towards uncalled amount of ₹ 461 per shares on 2,400 Partly Paid shares of Tata Steel 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	₹ 797.51	₹ 8.90	₹ 1,363.80	₹ 8.86

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

₹ in Crores

Particular	Current Year	Previous Year
Net Unrealized Gains / (Losses)	₹ (142.45)	₹ 30.98

**R. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq$  5% as on 31<sup>st</sup> March, 2020 is given in Annexure A.



S. The Key Statistics for the Financial Year 2019-20 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



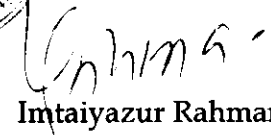
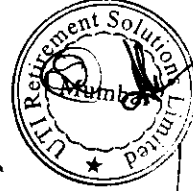
Hiren Shah  
Partner  
M. No. - 100052



For UTI Retirement Solutions Ltd.



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



Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 14 SEP 2020

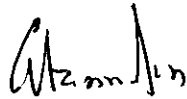
Place : Mumbai

Date : 27/04/2020

Place : Mumbai

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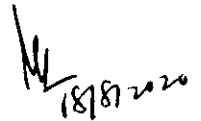
For and on behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020

Place : Mumbai / KOLKATA



Munish Malik  
(Chief Executive Officer, NPS Trust)

**ANNEXURE A**

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

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
HDFC BANK LTD.	3,34,974	28,87,14,091	7.80	8.03
ICICI BANK LTD.	6,80,835	22,04,20,331	5.96	6.13
KOTAK MAHINDRA BANK LTD.	1,38,995	18,01,44,470	4.87	5.01
AXIS BANK LTD.	3,33,843	12,65,26,497	3.42	3.52
STATE BANK OF INDIA	6,16,687	12,13,94,836	3.28	3.38
INDUSIND BANK LTD.	1,05,117	3,69,27,602	1.00	1.03
BANK OF BARODA	1,08,120	57,89,826	0.16	0.16
IDFC BANK LIMITED	64,936	13,70,150	0.04	0.04
YES BANK	46,402	10,41,725	0.03	0.03
PUNJAB NATIONAL BANK	3,627	1,17,333	0.00	0.00
		<b>98,24,46,861</b>	<b>26.56</b>	<b>27.33</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	3,35,762	21,53,91,323	5.82	5.99
TATA CONSULTANCY SERVICES LTD.	1,04,822	19,14,15,454	5.17	5.33
TECH MAHINDRA LTD.	64,930	3,67,17,915	0.99	1.02
HCL TECHNOLOGIES LIMITED	16,000	69,82,400	0.19	0.19
		<b>45,05,07,092</b>	<b>12.17</b>	<b>12.53</b>
<b>PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS</b>				
RELIANCE INDUSTRIES LTD.	2,61,114	29,08,15,718	7.86	8.09
INDIAN OIL CORPORATION LTD.	2,19,400	1,79,14,010	0.48	0.50
BHARAT PETROLEUM CORPORATION LTD.	46,000	1,45,77,400	0.39	0.41
CASTROL INDIA LTD.	79,800	79,36,110	0.21	0.22
		<b>33,12,43,238</b>	<b>8.94</b>	<b>9.22</b>
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
LUPIN LTD.	71,025	4,18,79,891	1.13	1.17
CIPLA LTD.	95,494	4,03,79,638	1.09	1.12
DR. REDDYS LABORATORIES LTD.	10,578	3,30,11,294	0.89	0.92
CADILA HEALTHCARE LTD.	1,03,500	2,76,60,375	0.75	0.77
SUN PHARMACEUTICAL INDUSTRIES LTD.	72,910	2,56,86,193	0.69	0.71
DIVIS LABORATORIES LTD.	12,626	2,51,13,745	0.68	0.70
		<b>19,37,31,136</b>	<b>5.23</b>	<b>5.39</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, 2020	As at March 31, 2019
1	NAV Per Unit (Rs.)*		
a	Open	30.1868	26.6017
b	High	31.4332	30.5457
c	Low	19.3238	25.9271
d	End	21.6868	30.0412
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	37004.23	37820.53
b	Average (AAUM)	41653.04	28131.59
3	Gross income as % of AAUM	4.49%	18.69%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0190%	0.0195%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	Net Income as a percentage of AAUM	-32.06%	12.86%
6	Portfolio turnover ratio	7.79%	2.27%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	-27.81%	12.93%
	Last 3 Years	-3.22%	15.56%
	Last 5 Years	0.77%	13.28%
	Since Launch of the scheme (May 21, 2009)	7.38%	11.79%
<p><b>Remarks / Formula / Method of Calculation</b></p> <p>* Declared NAV; Returns calculated based on declared NAV</p> <p>1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)</p> <p>1a Closing NAV as on 1st April of the Current F Y</p> <p>1b Highest NAV during the F Y</p> <p>1c Lowest NAV during the F Y</p> <p>1d Closing NAV as on 31st March of the Current F Y</p> <p>2b AAUM = (Aggregate of the daily AUM in the relevant FY) / (no. of calendar days in the relevant FY)</p> <p>3 Gross Income = Total Income as per Revenue Account</p> <p>4a Total Expenses = Total Expenses as per Revenue Account</p> <p>4b Investment Management fees (Including applicable Taxes) as per Revenue Account</p> <p>5 Net Income = Surplus / Deficit as per Revenue Account</p> <p>6 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)</p> <p>7 CAGR = <math>((1 + \text{cumulative return})^n)^{1/n} - 1</math> (where n=365/no. of days)</p>			







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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

**Registered Office:**

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

**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, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- b) in the case of the Revenue Account, of the deficit 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. 6,41,472.95 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs.1,73,081.28) 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.

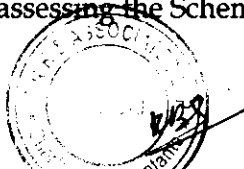
Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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 20100052AAAAFB6590**

Place: Mumbai

Date:

14 SEP 2020




**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	12 20 84 726	9 51 80 350
Reserves and Surplus	2	9 41 79 054	13 79 23 895
Current Liabilities and Provisions	3	14 64 535	9 90 257
<b>Total</b>		<b>21 77 28 315</b>	<b>23 40 94 502</b>
<b>Assets</b>			
Investments	4	21 76 81 436	23 34 01 113
Deposits	5	-	2 46 688
Other Current Assets	6	46 879	4 46 701
<b>Total</b>		<b>21 77 28 315</b>	<b>23 40 94 502</b>
(a) Net assets as per Balance Sheets		21 62 63 780	23 31 04 245
(b) Number of units outstanding		1 22 08 473	95 18 035
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

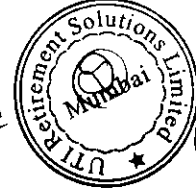


114 SEP 2020

Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.


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



  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

  
Atanu Sen  
(Chairman, NPS Trust Board)



Date: 02/09/2020  
Place: ~~Mumbai~~ KOLKATA

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		36 29 269	24 47 818
Interest		2 215	47
Profit on sale/redemption of investments		24 54 024	16 18 078
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		36 96 443	3 20 02 901
Other income			
- Miscellaneous Income		203	243
<b>Total Income (A)</b>		<b>97 82 154</b>	<b>3 60 69 087</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		8 72 12 038	1 13 51 772
Loss on sale/redemption of investments		13 38 042	4 80 434
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		30 578	22 456
NPS Trust fees		8 866	7 550
Custodian fees (including GST)		6 743	6 279
Depository and settlement charges (including GST)		2 713	1 038
CRA Fees		48 851	44 125
Less: Amount recoverable on sale of units on account of CRA Charges		( 48 851)	( 44 125)
Provision for Non-Performing Assets		-	-
Other Expenses		9	-
<b>Total Expenditure (B)</b>		<b>8 85 98 989</b>	<b>1 18 69 529</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>(7 88 16 835)</b>	<b>2 41 99 558</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		8 35 15 595	(2 06 51 129)
Less: Amount transferred (to) / from General Reserve		( 46 98 760)	( 35 48 429)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

7

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

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



Himen Shah  
Partner

Membership No.: 100052

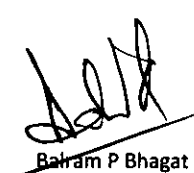
14 SEP 2020

Date:

Place: Mumbai



For UTI Retirement Solutions Ltd.



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

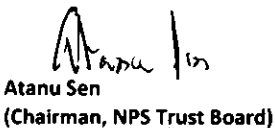


  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020

Place: Mumbai

For and on Behalf of NPS Trust

  
Atanu Sen  
(Chairman, NPS Trust Board)

Date:

Place: Mumbai

02/09/2020

KOLKATA



  
Munish Malik  
(Chief Executive Officer, NPS Trust)

077

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	9 51 80 350	7 10 85 534
Add :Units issued during the year	5 56 02 624	5 04 62 191
Less: Units redeemed during the year	(2 86 98 248)	(2 63 67 375)
<b>Outstanding at the end of the year</b>	<b>12 20 84 726</b>	<b>9 51 80 350</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	95 18 035	71 08 553
Add :Units issued during the year	55 60 263	50 46 220
Less: Units redeemed during the year	( 28 69 825)	( 26 36 738)
<b>Outstanding units at the end of the year</b>	<b>1 22 08 473</b>	<b>95 18 035</b>
<b>Schedule 2</b>		
	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	7 38 22 148	4 23 66 424
Add: Premium on Units issued	7 43 35 807	6 57 43 137
Less: Premium on Units redeemed	(3 92 63 813)	(3 42 87 413)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>10 88 94 142</b>	<b>7 38 22 148</b>
<b>General Reserve</b>		
Opening Balance	1 20 97 022	85 48 593
Add: Transfer from Revenue Account	46 98 760	35 48 429
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>1 67 95 782</b>	<b>1 20 97 022</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	5 20 04 725	3 13 53 596
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(8 35 15 595)	2 06 51 129
<b>Closing Balance</b>	<b>(3 15 10 870)</b>	<b>5 20 04 725</b>
<b>Total</b>	<b>9 41 79 054</b>	<b>13 79 23 895</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	11 409	8 698
Book Overdraft	-	-
Redemption Payable	14 52 857	9 81 309
TDS Payable	269	250
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>14 64 535</b>	<b>9 90 257</b>





**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, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	21 16 13 126	23 19 74 263
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	60 23 532	14 26 850
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>21 76 81 436</b>	<b>23 34 01 113</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	2 46 688
<b>Total</b>	<b>-</b>	<b>2 46 688</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	7 380	4 11 436
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	47
Dividend Receivable	37 450	35 218
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>46 879</b>	<b>4 46 701</b>



# 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, 2020

#### 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 and custodian is 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 Stock Holding Corporation of India Ltd. (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 Analytics Ltd. (ICRA) - 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 14<sup>th</sup> 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 crore 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.



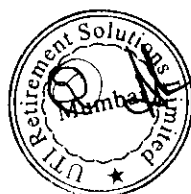
- (d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.
- (e) Exchange traded derivatives regulated by Securities and Exchange Board of India having the underlying of any permissible listed stock or any 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.

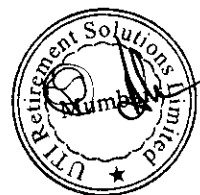


**3. Covid 19 Uncertainties:**

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 and stamp charges but exclude brokerage and other transactional charges.
- f. Investments are reconciled with the custodian records on daily basis.
- g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> January, 2020 are on the basis of revised methodology. Due to this revision, investments value are reduced by Rs. 47 on 31<sup>st</sup> March, 2020.

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**

**1) Valuation Policy up to 31<sup>st</sup> 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 uniformly 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 1<sup>st</sup> 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  $\pm 0.025\%$ , i.e.  $\pm 2.5$  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%	₹ 30,578	₹ 22,456

\* 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 12208467.0594 and the balance 5.4943 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 8,866	₹ 7,550

- 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	%
63.53	245.01	56.86	219.29	89.98	472.44	84.18	442.00

- 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, 2020 is ₹ 44,778. (Previous Year ₹ NIL).

- I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 17.7142	₹ 24.4907

- 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	%
0.98	3.77	8.86	34.17	3.61	18.94	1.19	6.23



**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. Contingent liability as on 31<sup>st</sup> March, 2020 is ₹ 1,15,250 towards uncalled amount of ₹ 461 per shares on 250 Partly Paid shares of Tata Steel 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	₹ 56.22	₹ 0.60	₹ 83.29	₹ 0.14

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

₹ in Crores

Particular	Current Year	Previous Year
Net Unrealized Gains / (Losses)	₹ (8.35)	₹ 2.07

**R. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq$  5% as on 31<sup>st</sup> March, 2020 is given in Annexure A.



- S. The Key Statistics for the Financial Year 2019-20 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



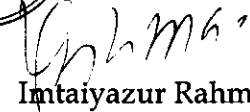
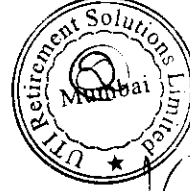
Hiren Shah  
Partner  
M. No. - 100052



For UTI Retirement Solutions Ltd.



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




Intaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date : 14 SEP 2020  
Place : Mumbai

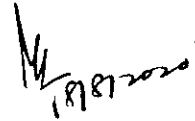
Date : 27/04/2020  
Place : Mumbai

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For and on behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)  
Date: 02/09/2020  
Place: Mumbai KOLKATA



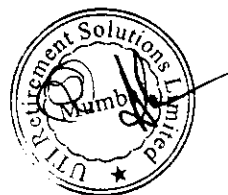
Munish Malik  
(Chief Executive Officer, NPS Trust)



**ANNEXURE A**

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

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
HDFC BANK LTD.	16,090	1,38,67,971	6.41	6.55
ICICI BANK LTD.	39,192	1,26,88,410	5.87	6.00
KOTAK MAHINDRA BANK LTD.	8,410	1,08,99,781	5.04	5.15
AXIS BANK LTD.	20,328	77,04,312	3.56	3.64
STATE BANK OF INDIA	37,684	74,18,095	3.43	3.51
INDUSIND BANK LTD.	6,916	24,29,591	1.12	1.15
BANK OF BARODA	11,270	6,03,509	0.28	0.29
IDFC BANK LIMITED	5,000	1,05,500	0.05	0.05
YES BANK	2,622	58,864	0.03	0.03
		<b>5,57,76,033</b>	<b>25.79</b>	<b>26.37</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	21,866	1,40,27,039	6.49	6.63
TATA CONSULTANCY SERVICES LTD.	5,994	1,09,45,643	5.06	5.17
TECH MAHINDRA LTD.	4,201	23,75,666	1.10	1.12
HCL TECHNOLOGIES LIMITED	2,312	10,08,957	0.47	0.48
		<b>2,83,57,305</b>	<b>13.12</b>	<b>13.40</b>
<b>PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS</b>				
RELIANCE INDUSTRIES LTD.	14,259	1,58,80,961	7.34	7.50
BHARAT PETROLEUM CORPORATION LTD.	2,158	6,83,870	0.32	0.32
INDIAN OIL CORPORATION LTD.	7,240	5,91,146	0.27	0.28
CASTROL INDIA LTD.	2,060	2,04,867	0.09	0.10
		<b>1,73,60,844</b>	<b>8.02</b>	<b>8.20</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	6,436	1,05,10,632	4.86	4.97
LIC HOUSING FINANCE LTD.	7,560	17,78,868	0.82	0.84
		<b>1,22,89,500</b>	<b>5.68</b>	<b>5.81</b>
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
CIPLA LTD.	5,526	23,36,669	1.08	1.10
CADILA HEALTHCARE LTD.	7,900	21,11,275	0.98	1.00
LUPIN LTD.	3,482	20,53,161	0.95	0.97
SUN PHARMACEUTICAL INDUSTRIES LTD.	5,689	20,04,235	0.93	0.95
DIVIS LABORATORIES LTD.	850	16,90,693	0.78	0.80
DR. REDDYS LABORATORIES LTD.	490	15,29,168	0.71	0.72
		<b>1,17,25,201</b>	<b>5.43</b>	<b>5.54</b>



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme E - Tier II			
S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	<b>NAV Per Unit (Rs.)*</b>		
	Open	24.6267	21.5732
	High	25.7275	24.8542
	Low	15.8138	21.1274
	End	17.7142	24.4907
2	<b>Closing Assets Under Management (Rs. In Lakhs)</b>		
	End	2162.64	2331.04
	Average (AAUM)	2592.95	1904.49
3	<b>Gross income as % of AAUM</b>	3.77%	18.94%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0189%	0.0195%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	<b>Net Income as a percentage of AAUM</b>	-30.40%	12.71%
6	<b>Portfolio turnover ratio</b>	4.10%	3.74%
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	-27.67%	13.52%
	Last 3 Years	-3.00%	15.48%
	Last 5 Years	0.81%	13.50%
	Since Launch of the scheme (December 14, 2009)	5.71%	10.11%
<p><b>Remarks / Formula / Method of Calculation</b></p> <p>* Declared NAV; Returns calculated based on declared NAV</p> <p>1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)</p> <p>1a Closing NAV as on 1st April of the Current F Y</p> <p>1b Highest NAV during the F Y</p> <p>1c Lowest NAV during the F Y</p> <p>1d Closing NAV as on 31st March of the Current F Y</p> <p>2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)</p> <p>3 Gross Income = Total Income as per Revenue Account</p> <p>4a Total Expenses = Total Expenses as per Revenue Account</p> <p>4b Investment Management fees (Including applicable Taxes) as per Revenue Account</p> <p>5 Net Income = Surplus / Deficit as per Revenue Account</p> <p>6 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)</p> <p>7 CAGR = <math>((1 + \text{cumulative return})^n)^{1/n} - 1</math> (where n=365/no. of days)</p>			





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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

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

**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, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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.84,78,761.80 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs. 11,98,627.50) 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: 20100052AAAAFB6590

Place: Mumbai

Date: 14 SEP 2020



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	112 80 00 217	90 05 68 673
Reserves and Surplus	2	186 62 16 902	126 28 10 306
Current Liabilities and Provisions	3	46 27 392	17 49 381
<b>Total</b>		<b>299 88 44 511</b>	<b>216 51 28 360</b>
<b>Assets</b>			
Investments	4	291 80 64 262	207 87 27 865
Deposits	5	-	1 51 63 728
Other Current Assets	6	8 07 80 249	7 12 36 767
<b>Total</b>		<b>299 88 44 511</b>	<b>216 51 28 360</b>
(a) Net assets as per Balance Sheets		299 42 17 119	216 33 78 979
(b) Number of units outstanding		11 28 00 021	9 00 56 867
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 SEP 2020  
Place: Mumbai

**For UTI Retirement Solutions Ltd.**

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



  
Muntaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020  
Place: Mumbai

**For and on Behalf of NPS Trust**

  
Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLIKATA



  
Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		-	-
Interest		18 48 78 697	12 97 08 810
Profit on sale/redemption of investments		20 52 987	20 47 774
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		11 40 67 674	2 02 92 013
Other income			
- Miscellaneous Income		41	452
<b>Total Income (A)</b>		<b>30 09 99 399</b>	<b>15 20 49 049</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		66 50 957	2 07 99 406
Loss on sale/redemption of investments		34 928	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		2 94 831	1 95 917
NPS Trust fees		87 047	65 256
Custodian fees (including GST)		74 778	61 059
Depository and settlement charges (including GST)		29 553	11 815
CRA Fees		17 86 468	15 05 897
Less: Amount recoverable on sale of units on account of CRA Charges		( 17 86 468)	( 15 05 897)
Provision for Non-Performing Assets		4 20 00 000	2 50 000
Other Expenses		4 602	-
<b>Total Expenditure (B)</b>		<b>4 91 76 696</b>	<b>2 13 83 453</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>25 18 22 703</b>	<b>13 06 65 596</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(10 74 16 717)	5 07 393
Less: Amount transferred (to) / from General Reserve		(14 44 05 986)	(13 11 72 989)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

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



23 4 SEP 2020

Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.

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



Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai



Munish Malik  
(Chief Executive Officer, NPS Trust)

099

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	90 05 68 673	62 44 42 481
Add :Units issued during the year	32 61 74 357	33 32 05 822
Less: Units redeemed during the year	(9 87 42 813)	(5 70 79 630)
<b>Outstanding at the end of the year</b>	<b>112 80 00 217</b>	<b>90 05 68 673</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	9 00 56 867	6 24 44 248
Add :Units issued during the year	3 26 17 435	3 33 20 582
Less: Units redeemed during the year	( 98 74 281)	( 57 07 963)
<b>Outstanding units at the end of the year</b>	<b>11 28 00 021</b>	<b>9 00 56 867</b>

Schedule 2	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	94 30 58 678	58 44 75 656
Add: Premium on Units issued	50 21 20 223	43 14 97 332
Less: Premium on Units redeemed	(15 05 36 330)	(7 29 14 310)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>129 46 42 571</b>	<b>94 30 58 678</b>
<b>General Reserve</b>		
Opening Balance	31 40 95 406	18 29 22 417
Add: Transfer from Revenue Account	14 44 05 986	13 11 72 989
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>45 85 01 392</b>	<b>31 40 95 406</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	56 56 222	61 63 615
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	10 74 16 717	( 5 07 393)
<b>Closing Balance</b>	<b>11 30 72 939</b>	<b>56 56 222</b>
<b>Total</b>	<b>186 62 16 902</b>	<b>126 28 10 306</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	1 22 965	82 613
Book Overdraft	-	-
Redemption Payable	45 01 118	16 64 388
TDS Payable	3 309	2 380
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>46 27 392</b>	<b>17 49 381</b>



**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, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	283 26 01 175	205 38 38 710
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	8 54 63 087	1 96 39 155
Non Convertible Debentures classified as NPA	4 12 50 000	52 50 000
Less: Provision on Non performing investment	(4 12 50 000)	-
<b>Total</b>	<b>291 80 64 262</b>	<b>207 87 27 865</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	1 51 63 728
<b>Total</b>	<b>-</b>	<b>1 51 63 728</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	-	57 25 898
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	47 17 750	8 95 738
Less: Provision for interest on Non-Performing Investment	( 47 17 750)	( 8 95 738)
Outstanding and accrued income	8 07 80 249	6 47 60 869
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)	( 2 50 000)
<b>Total</b>	<b>8 07 80 249</b>	<b>7 12 36 767</b>



## 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, 2020

##### 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 and custodian is 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.

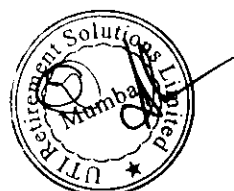




3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.
4. ICRA Analytics Ltd. (ICRA) – ICRA has been designated as valuation service 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 21<sup>st</sup> 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 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.

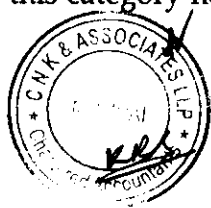


- (d) Term deposit Receipts of not less than one year duration issued by scheduled commercial banks, which satisfy the following conditions on the basis of published annual report(s) for the most recent years, as required to have been published by them under law:
- (i) Having declared profit in the immediately 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 treated 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





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 and stamp charges but exclude brokerage and other transactional charges.
- f. Investments are reconciled with the custodian records on daily basis.
- g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> January, 2020 are on the basis of revised methodology. Due to this revision, investments value are reduced by Rs. 1.43 crores on 31<sup>st</sup> March,2020.

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

**A) Valuation of Debt Instruments**

**I) Valuation Policy up to 31<sup>st</sup> 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 uniformly 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 1<sup>st</sup> 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  $\pm 0.025\%$ , i.e.  $\pm 2.5$  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 which is attached herewith.

**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.

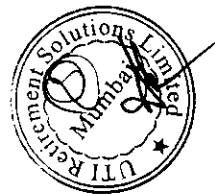
Based on the confirmation from CRA the number of units as at the year end are 112799961.9310 and the balance 59.4389 have been identified as residual units with CRA.

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%	₹ 2,94,831	₹ 1,95,917

\* 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 87,047	₹ 65,256

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	%
489.80	195.91	408.88	163.54	731.01	439.83	654.22	393.62

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, 2020 is ₹ 107.10 Crores. (Previous Year ₹ 78.93 Crores).

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 26.5444	₹ 24.0223

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	%
30.10	12.04	4.92	1.97	15.20	9.15	2.14	1.29



**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 31<sup>st</sup> March, 2020 is as under:

Particular	As on 31st March, 2020****	As on 31st March, 2019
Book Value (₹)	4,22,50,000	79,89,175
Provision for NPA (₹)	4,22,50,000	2,50,000
Carrying Cost (₹)	-	77,39,175
Market Value (₹)***	-	-
% of NPA (Gross) to AUM	1.41	0.37

\*\*\* 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	₹ 414.84	₹ 8.55	₹ 650.58	₹ 1.96



P. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2020 is given in Annexure A.

Q. The Key Statistics for the Financial Year 2019-20 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

For UTI Retirement Solutions Ltd.

Chartered Accountants

FRN: 101961W/W-100036

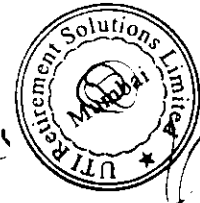


Hiren Shah

Partner

M. No. - 100052

Date: 19 4 SEP 2020  
Place: Mumbai



Bafram P Bhagat

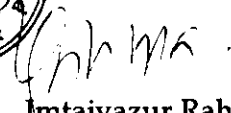
Chief Executive Officer

& Whole Time Director

DIN : 01846261

Date : 27/04/2020

Place : Mumbai



Imtaiyazur Rahman

Chairman & Director

DIN: 01818725

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For and on behalf of NPS Trust

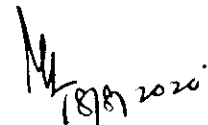


Atanu Sen

(Chairman, NPS Trust Board)

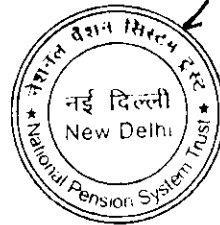
Date: 02/09/2020

Place: Mumbai KOLKATA



Munish Malik

(Chief Executive Officer, NPS Trust)



**ANNEXURE A**

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

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	27,10,000	28,08,81,528	9.38	9.77
ICICI BANK LTD.	12,60,000	12,99,01,703	4.34	4.52
HDFC BANK LTD.	6,90,000	7,19,15,526	2.40	2.50
IDFC BANK LIMITED	90,000	88,42,294	0.30	0.31
KOTAK MAHINDRA BANK LTD.	80,000	82,79,024	0.28	0.29
YES BANK	1,00,000	50,00,000	0.17	0.17
PUNJAB NATIONAL BANK	20,000	20,44,926	0.07	0.07
		<b>50,68,65,001</b>	<b>16.94</b>	<b>17.63</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	19,20,000	19,65,19,590	6.56	6.84
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	17,30,000	18,00,70,858	6.01	6.27
HOUSING AND URBAN DEVELOPMENT CORPORATION	11,60,000	12,66,96,401	4.23	4.41
		<b>50,32,86,849</b>	<b>16.80</b>	<b>17.52</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	26,60,000	28,11,68,916	9.39	9.78
EXPORT IMPORT BANK OF INDIA	7,70,000	8,28,64,403	2.77	2.88
		<b>36,40,33,319</b>	<b>12.16</b>	<b>12.66</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	27,40,000	28,27,60,306	9.44	9.84
		<b>28,27,60,306</b>	<b>9.44</b>	<b>9.84</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	15,60,000	16,09,70,298	5.38	5.60
POWER FINANCE CORPORATION LTD.	10,90,000	11,14,24,731	3.72	3.88
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	50,000	49,94,270	0.17	0.17
		<b>27,73,89,299</b>	<b>9.27</b>	<b>9.65</b>
<b>PASSENGER RAIL TRANSPORT</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	26,00,000	27,16,25,277	9.07	9.45
		<b>27,16,25,277</b>	<b>9.07</b>	<b>9.45</b>



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, 2020	As at March 31, 2019
1	NAV Per Unit (Rs.)*		
	Open	24.0274	22.3927
	High	26.5514	24.0223
	Low	23.7857	21.9131
	End	26.5444	24.0223
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	29,942.17	21,633.78
	Average (AAUM)	25,001.51	16,620.45
3	Gross income as % of AAUM	12.04%	9.15%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0194%	0.0201%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	Net Income as a percentage of AAUM	10.07%	7.86%
6	Portfolio turnover ratio	1.68%	0.71%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	10.50%	7.30%
	Last 3 Years	7.90%	8.40%
	Last 5 Years	8.90%	9.77%
	Since Launch of the scheme (May 21, 2009)	9.40%	9.29%
<p><b>Remarks / Formula / Method of Calculation</b></p> <p>* Declared NAV; Returns calculated based on declared NAV</p> <p>1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) /</p> <p>1a Closing NAV as on 1st April of the Current FY</p> <p>1b Highest NAV during the FY</p> <p>1c Lowest NAV during the FY</p> <p>1d Closing NAV as on 31st March of the Current FY</p> <p>2b AAUM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY)</p> <p>3 Gross Income = Total Income as per Revenue Account</p> <p>4a Total Expenses = Total Expenses as per Revenue Account</p> <p>4b Investment Management fees (Including applicable Taxes) as per Revenue Account</p> <p>5 Net Income = Surplus / Deficit as per Revenue Account</p> <p>6 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) The sales during the period FY 2017-18 was 'Nil'</p> <p>7 CAGR = <math>((1 + \text{cumulative return})^n)^{1/n} - 1</math> (where n=365/no. of days)</p>			





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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

**Registered Office:**

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



**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, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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.4,55,650.00 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs. 83,272.85) 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**

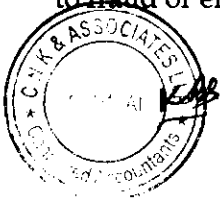
The PFM's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date 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: 20100052AAAAF86590**



Place: Mumbai

Date:

17 4 SEP 2020

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	6 48 35 072	5 61 31 569
Reserves and Surplus	2	10 05 71 386	7 29 20 925
Current Liabilities and Provisions	3	23 91 751	3 06 888
<b>Total</b>		<b>16 77 98 209</b>	<b>12 93 59 382</b>
<b>Assets</b>			
Investments	4	16 28 28 467	12 48 11 020
Deposits	5	-	96 609
Other Current Assets	6	49 69 742	44 51 753
<b>Total</b>		<b>16 77 98 209</b>	<b>12 93 59 382</b>
(a) Net assets as per Balance Sheets		16 54 06 458	12 90 52 494
(b) Number of units outstanding		64 83 507	56 13 157
Significant Accounting Policies and Notes to Accounts	7		

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

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



Hiren Shah  
Partner  
Membership No.: 100052



Date: 11 4 SEP 2020  
Place: Mumbai

For UTI Retirement Solutions Ltd.



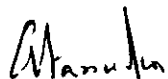
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261




Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

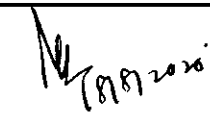
Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLIKATA

Munish Malik  
(Chief Executive Officer, NPS Trust)

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		-	-
Interest		1 09 91 091	87 30 145
Profit on sale/redemption of investments		1 55 693	1 72 956
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		61 68 941	11 14 232
Other income			
- Miscellaneous Income		9	56
<b>Total Income (A)</b>		<b>1 73 15 734</b>	<b>1 00 17 389</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		6 50 401	14 38 432
Loss on sale/redemption of investments		1 738	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		17 478	13 191
NPS Trust fees		5 135	4 460
Custodian fees (including GST)		4 446	4 134
Depository and settlement charges (including GST)		2 416	1 526
CRA Fees		25 216	21 419
Less: Amount recoverable on sale of units on account of CRA Charges		( 25 216)	( 21 419)
Provision for Non-Performing Assets		11 50 000	-
Other Expenses		203	-
<b>Total Expenditure (B)</b>		<b>18 31 817</b>	<b>14 61 743</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>1 54 83 917</b>	<b>85 55 646</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 55 18 540)	3 24 200
Less: Amount transferred (to) / from General Reserve		( 99 65 377)	( 88 79 846)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

7

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

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



Hiren Shah  
Partner  
Membership No.: 100052



For UTI Retirement Solutions Ltd.



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

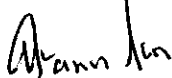



Mntaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 14 SEP 2020  
Place: Mumbai

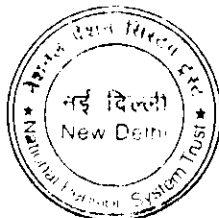
Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLKATA

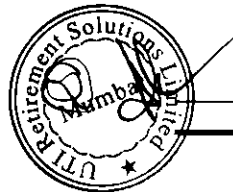
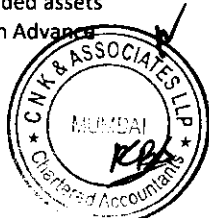



Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	5 61 31 569	4 61 17 250
Add :Units issued during the year	2 82 64 536	2 50 84 430
Less: Units redeemed during the year	(1 95 61 033)	(1 50 70 111)
<b>Outstanding at the end of the year</b>	<b>6 48 35 072</b>	<b>5 61 31 569</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	56 13 157	46 11 725
Add :Units issued during the year	28 26 453	25 08 443
Less: Units redeemed during the year	( 19 56 103)	( 15 07 011)
<b>Outstanding units at the end of the year</b>	<b>64 83 507</b>	<b>56 13 157</b>
<b>Schedule 2</b>		
	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	4 36 45 133	3 18 88 778
Add: Premium on Units issued	4 02 97 872	2 94 65 512
Less: Premium on Units redeemed	(2 81 31 328)	(1 77 09 157)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>5 58 11 677</b>	<b>4 36 45 133</b>
<b>General Reserve</b>		
Opening Balance	2 86 59 454	1 97 79 608
Add: Transfer from Revenue Account	99 65 377	88 79 846
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>3 86 24 831</b>	<b>2 86 59 454</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	6 16 338	9 40 538
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	55 18 540	( 3 24 200)
Closing Balance	<b>61 34 878</b>	<b>6 16 338</b>
<b>Total</b>	<b>10 05 71 386</b>	<b>7 29 20 925</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	7 271	5 484
Book Overdraft	-	-
Redemption Payable	23 84 292	3 01 247
TDS Payable	188	157
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>23 91 751</b>	<b>3 06 888</b>

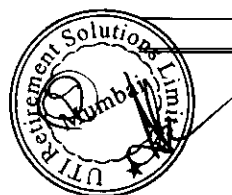


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	16 04 27 262	12 31 78 089
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	24 01 205	13 32 931
Non Convertible Debentures classified as NPA	11 50 000	3 00 000
Less: Provision on Non performing investment	( 11 50 000)	-
<b>Total</b>	<b>16 28 28 467</b>	<b>12 48 11 020</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	96 609
<b>Total</b>	<b>-</b>	<b>96 609</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	-	1 73 916
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	1 97 705	51 359
Less: Provision for interest on Non-Performing Investment	( 1 97 705)	( 51 359)
Outstanding and accrued income	49 69 742	42 77 837
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>49 69 742</b>	<b>44 51 753</b>





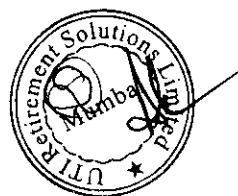
## NATIONAL PENSION SYSTEM TRUST

### 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, 2020

##### 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 and custodian is 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 Stock Holding Corporation of India Ltd. (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 Analytics Ltd. (ICRA) - 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**

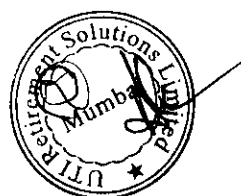
1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> December, 2009.
3. **Investment pattern to be followed as per the PFRDA Regulations:**
  - (a) Listed (or proposed to 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 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 treated 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 and stamp charges but exclude brokerage and other transactional charges.
- f. Investments are reconciled with the custodian records on daily basis.
- g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> January, 2020 are on the basis of revised methodology. Due to this revision, investments value are reduced by Rs. 0.07 crores on 31<sup>st</sup> March, 2020.

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

**A) Valuation of Debt Instruments**

**I) Valuation Policy up to 31<sup>st</sup> 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 uniformly 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 1<sup>st</sup> 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  $\pm 0.025\%$ , i.e.  $\pm 2.5$  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.

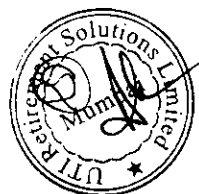
ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

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 which is attached herewith.

**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 6483502.4291 and the balance 4.6131 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%	₹ 17,478	₹ 13,191

\* 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 5,135	₹ 4,460

- 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	%
37.90	255.81	34.05	229.81	59.00	527.50	55.62	497.24

- 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, 2020 is ₹ 7.42 Crores. (Previous Year ₹ 5.76 Crore).

- I. **Net Asset Value:**

Current Year		Previous Year	
As on 31st March, 2020		As on 31st March, 2019	
₹ 25.5118		₹ 22.9910	

- 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	%
1.73	11.69	0.18	1.24	1.00	8.96	0.15	1.31



**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 31<sup>st</sup> March, 2020 is as under:

Particular	As on 31st March, 2020****	As on 31st March, 2019
Book Value (₹)	11,50,000	4,00,000
Provision for NPA (₹)	11,50,000	-
Carrying Cost (₹)	-	4,00,000
Market Value (₹)***	-	-
% of NPA (Gross) to AUM	0.70	0.31

\*\*\* 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	₹ 34.13	₹ 0.24	₹ 55.54	₹ 0.13



P. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2020 is given in Annexure A.

Q. The Key Statistics for the Financial Year 2019-20 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



For UTI Retirement Solutions Ltd.

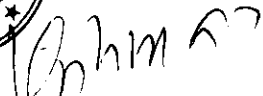


Bahram P Bhagat  
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

Date : 27/04/2020

Place : Mumbai



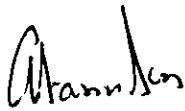
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date : 4 SEP 2020

Place : Mumbai

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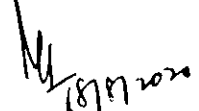
For and on behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date : 02/09/2020

Place : Mumbai KOLKATA



Munish Malik  
(Chief Executive Officer, NPS Trust)

**ANNEXURE A**

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

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	1,30,000	1,36,76,617	8.27	8.46
ICICI BANK LTD.	80,000	83,05,604	5.02	5.14
HDFC BANK LTD.	70,000	72,95,778	4.41	4.52
KOTAK MAHINDRA BANK LTD.	10,000	10,34,878	0.63	0.64
IDFC BANK LIMITED	10,000	9,88,132	0.60	0.61
		<b>3,13,01,009</b>	<b>18.93</b>	<b>19.37</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	1,20,000	1,23,52,113	7.47	7.64
HOUSING AND URBAN DEVELOPMENT CORPORATION	80,000	86,69,940	5.24	5.37
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	50,000	50,93,777	3.08	3.15
		<b>2,61,15,830</b>	<b>15.79</b>	<b>16.16</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	90,000	91,64,010	5.54	5.67
POWER FINANCE CORPORATION LTD.	80,000	82,53,745	4.99	5.11
		<b>1,74,17,755</b>	<b>10.53</b>	<b>10.78</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	1,30,000	1,38,06,944	8.35	8.55
EXPORT IMPORT BANK OF INDIA	30,000	31,90,062	1.93	1.97
		<b>1,69,97,006</b>	<b>10.28</b>	<b>10.52</b>
<b>PASSENGER RAIL TRANSPORT</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	1,40,000	1,46,12,199	8.83	9.04
		<b>1,46,12,199</b>	<b>8.83</b>	<b>9.04</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	1,30,000	1,34,64,381	8.14	8.33
		<b>1,34,64,381</b>	<b>8.14</b>	<b>8.33</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	1,02,000	1,08,40,374	6.55	6.71
		<b>1,08,40,374</b>	<b>6.55</b>	<b>6.71</b>



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme C - Tier II			
S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	<b>NAV Per Unit (Rs.)*</b>		
	Open	22.9959	21.4122
	High	25.5453	22.9910
	Low	22.7938	20.9590
	End	25.5118	22.9910
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	1654.06	1290.52
	Average (AAUM)	1481.69	1118.48
3	<b>Gross income as % of AAUM</b>	11.69%	8.96%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0199%	0.0208%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	<b>Net Income as a percentage of AAUM</b>	10.45%	7.65%
6	<b>Portfolio turnover ratio</b>	3.37%	0.89%
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	10.96%	7.40%
	Last 3 Years	8.14%	8.36%
	Last 5 Years	8.92%	9.74%
	Since Launch of the scheme (December 14, 2009)	9.52%	9.37%
<b>Remarks / Formula / Method of Calculation</b>			
* Declared NAV; Returns calculated based on declared NAV			
1	NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)		
1a	Closing NAV as on 1st April of the Current F Y		
1b	Highest NAV during the F Y		
1c	Lowest NAV during the F Y		
1d	Closing NAV as on 31st March of the Current F Y		
2b	AAUM = (Aggregate of the daily AUM in the relevant FY)/( no. of calendar days in the relevant FY)		
3	Gross Income = Total Income as per Revenue Account		
4a	Total Expenses = Total Expenses as per Revenue Account		
4b	Investment Management fees (Including applicable Taxes) as per Revenue Account		
5	Net Income = Surplus / Deficit as per Revenue Account		
6	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)		
The sales during the period FY 2017-18 was 'Nil'			
7	CAGR = $((1 + \text{cumulative return})^n - 1)$ (where n=365/no. of days)		







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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

**Registered Office:**

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

**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
**National Pension System Trust**

**Report on the audit of Financial Statements****Opinion**

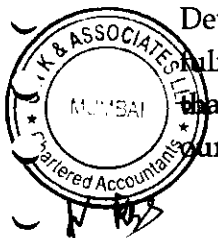
We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme G TIER I (the Scheme)** managed by **UTI Retirement Solutions Limited. (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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.1,28,06,815.50 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs. 19,52,453.83) 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.

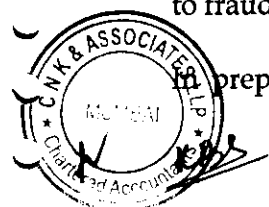
Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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 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: 20100052AAAAFB6590**

Place: Mumbai

Date: **14 SEP 2020**



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	188 92 97 599	148 72 99 058
Reserves and Surplus	2	290 11 30 498	180 92 84 667
Current Liabilities and Provisions	3	50 01 691	4 18 25 230
<b>Total</b>		<b>479 54 29 788</b>	<b>333 84 08 955</b>
<b>Assets</b>			
Investments	4	472 08 10 219	325 48 23 838
Deposits	5	-	2 05 20 290
Other Current Assets	6	7 46 19 569	6 30 64 827
<b>Total</b>		<b>479 54 29 788</b>	<b>333 84 08 955</b>
(a) Net assets as per Balance Sheets		479 04 28 097	329 65 83 725
(b) Number of units outstanding		18 89 29 760	14 87 29 906
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



For UTI Retirement Solutions Ltd.



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



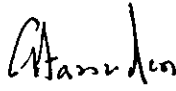


Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 17 4 SEP 2020  
Place: Mumbai

Date: 27/04/2020  
Place: Mumbai

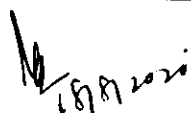
For and on Behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/20  
Place: Mumbai KOLKATA





Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		-	-
Interest		28 28 20 312	18 89 37 621
Profit on sale/redemption of investments		31 11 794	40 11 543
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		23 25 11 632	3 74 38 319
Other income			
- Miscellaneous Income		58	877
<b>Total Income (A)</b>		<b>51 84 43 796</b>	<b>23 03 88 360</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		13 97 309	54 99 118
Loss on sale/redemption of investments		48 705	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		4 63 965	2 94 744
NPS Trust fees		1 37 801	97 678
Custodian fees (including GST)		1 15 667	93 445
Depository and settlement charges (including GST)		56 593	29 223
CRA Fees		26 95 224	22 31 146
Less: Amount recoverable on sale of units on account of CRA Charges		( 26 95 224)	( 22 31 146)
Provision for Non-Performing Assets		-	-
Other Expenses		6	-
<b>Total Expenditure (B)</b>		<b>22 20 046</b>	<b>60 14 208</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>51 62 23 750</b>	<b>22 43 74 152</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(23 11 14 323)	( 81 75 679)
Less: Amount transferred (to) / from General Reserve		(28 51 09 427)	(21 61 98 473)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

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



Hirek Shah  
Partner  
Membership No.: 100052



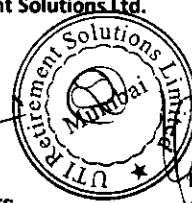
14 SEP 2020


Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.



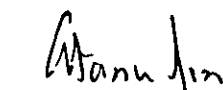
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261



  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020  
Place: Mumbai

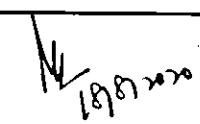
For and on Behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLYATA



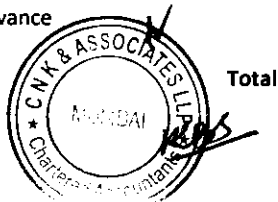


Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	148 72 99 058	102 40 43 986
Add :Units issued during the year	54 16 97 352	53 95 75 050
Less: Units redeemed during the year	(13 96 98 811)	(7 63 19 978)
<b>Outstanding at the end of the year</b>	<b>188 92 97 599</b>	<b>148 72 99 058</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	14 87 29 906	10 24 04 399
Add :Units issued during the year	5 41 69 735	5 39 57 505
Less: Units redeemed during the year	(1 39 69 881)	(76 31 998)
<b>Outstanding units at the end of the year</b>	<b>18 89 29 760</b>	<b>14 87 29 906</b>
Schedule 2	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	133 75 09 916	81 91 27 210
Add: Premium on Units issued	77 02 95 329	60 12 75 627
Less: Premium on Units redeemed	(19 46 73 248)	(8 28 92 921)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>191 31 31 997</b>	<b>133 75 09 916</b>
<b>General Reserve</b>		
Opening Balance	46 35 99 072	24 74 00 599
Add: Transfer from Revenue Account	28 51 09 427	21 61 98 473
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>74 87 08 499</b>	<b>46 35 99 072</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	81 75 679	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	23 11 14 323	81 75 679
Closing Balance	<b>23 92 90 002</b>	<b>81 75 679</b>
<b>Total</b>	<b>290 11 30 498</b>	<b>180 92 84 667</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	1 98 957	1 31 801
Book Overdraft	-	-
Redemption Payable	47 97 331	16 78 377
TDS Payable	5 403	3 858
Contracts for Purchase of Investments	-	4 00 11 194
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>50 01 691</b>	<b>4 18 25 230</b>



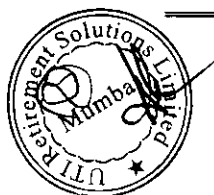


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	456 36 82 279	319 17 88 628
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	15 71 27 940	6 30 35 210
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>472 08 10 219</b>	<b>325 48 23 838</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	2 05 20 290
<b>Total</b>	<b>-</b>	<b>2 05 20 290</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	1	94 86 181
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	7 11 09 960	5 15 78 087
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	35 09 608	20 00 559
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>7 46 19 569</b>	<b>6 30 64 827</b>



## 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, 2020

#### 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 and custodian is 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 Stock Holding Corporation of India Ltd. (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 Analytics Ltd. (ICRA) - 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 21<sup>st</sup> 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 and stamp charges but exclude brokerage and other transactional charges.
- f. Investments are reconciled with the custodian records on daily basis.
- g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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.

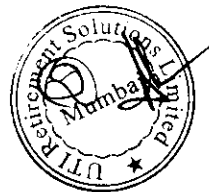
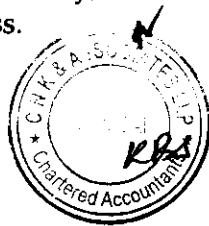
8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

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 188929684.3675 and the balance 75.4028 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%	₹ 4,63,965	₹ 2,94,744

\* 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 1,37,801	₹ 97,678

- 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:

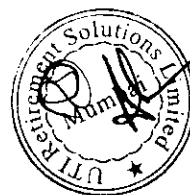
₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
684.47	173.96	561.29	142.66	1,049.98	419.91	931.87	372.67

- 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, 2020 is ₹ NIL. (Previous Year ₹ NIL)

- I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 25.3556	₹ 22.1649





- 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	%
51.84	13.18	0.22	0.06	23.04	9.21	0.60	0.24

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. **Other disclosures:**

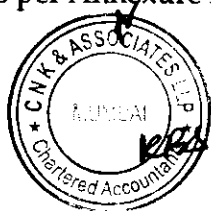
Particulars	Current Year	Previous Year
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	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	₹ 569.39	₹ 15.71	₹ 930.72	₹ 6.30

- O. The Key Statistics for the Financial Year 2019-20 as compared to the Previous Year is attached as per Annexure A.



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

For C N K & Associates LLP

Chartered Accountants

FBN.: 101961W/W-100036



Hiren Shah

Partner

M. No. - 100052



For UTI Retirement Solutions Ltd.



Balram P Bhagat

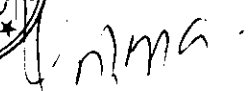
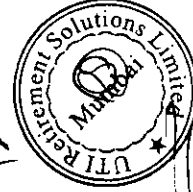
Chief Executive Officer

& Whole Time Director

DIN : 01846261

Date : 27/04/2020

Place : Mumbai



Imtaiyazur Rahman

Chairman & Director

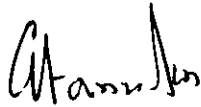
DIN: 01818725

Date : 14 SEP 2020

Place : Mumbai

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For and on behalf of NPS Trust

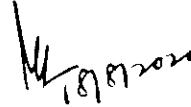
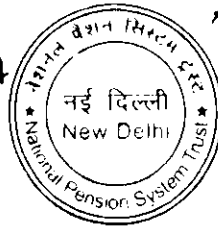


Atanu Sen

(Chairman, NPS Trust Board)

Date : 02/09/2020

Place : ~~Mumbai~~ KOLKATA



Munish Malik

(Chief Executive Officer, NPS Trust)

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, 2020	As at March 31, 2019
1	<b>NAV Per Unit (Rs.)*</b>		
	Open	22.1694	20.4191
	High	25.7186	22.1673
	Low	22.0423	19.8903
	End	25.3556	22.1649
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	47,904.28	32,965.83
	Average (AAUM)	39,345.84	25,005.22
3	<b>Gross income as % of AAUM</b>	13.18%	9.21%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0197%	0.0205%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	<b>Net Income as a percentage of AAUM</b>	13.12%	8.97%
6	<b>Portfolio turnover ratio</b>	0.26%	1.10%
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	14.40%	8.57%
	Last 3 Years	8.98%	8.10%
	Last 5 Years	9.14%	10.20%
	Since Launch of the scheme (May 21, 2009)	8.94%	8.40%
<b>Remarks / Formula / Method of Calculation</b>			
* Declared NAV; Returns calculated based on declared NAV			
1	NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) /		
1a	Closing NAV as on 1st April of the Current F Y		
1b	Highest NAV during the F Y		
1c	Lowest NAV during the F Y		
1d	Closing NAV as on 31st March of the Current F Y		
2b	AAUM = (Aggregate of the daily AUM in the relevant F Y) / ( no. of calendar days in the relevant F Y)		
3	Gross Income = Total Income as per Revenue Account		
4a	Total Expenses = Total Expenses as per Revenue Account		
4b	Investment Management fees (Including applicable Taxes) as per Revenue Account		
5	Net Income = Surplus / Deficit as per Revenue Account		
6	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	CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)		





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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

**Registered Office:**

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

**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, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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.4,85,694.15 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs.1,83,165.22.) 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**

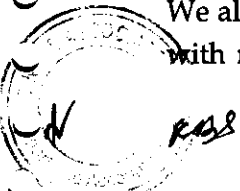
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.: T01961W/W-100036**

**Hiren Shah**

**Partner**

**Membership No.: 100052**

**UDIN: 20100052A A A A F B 6590**

**Place: Mumbai**

**Date:**

**14 SEP 2020**



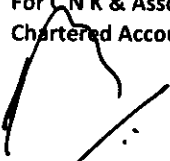


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	9 26 73 397	7 39 05 983
Reserves and Surplus	2	14 95 68 091	9 45 71 746
Current Liabilities and Provisions	3	67 48 259	13 99 563
<b>Total</b>		<b>24 89 89 747</b>	<b>16 98 77 292</b>
<b>Assets</b>			
Investments	4	24 47 79 339	16 63 74 538
Deposits	5	-	2 66 139
Other Current Assets	6	42 10 408	32 36 615
<b>Total</b>		<b>24 89 89 747</b>	<b>16 98 77 292</b>
(a) Net assets as per Balance Sheets		24 22 41 488	16 84 77 729
(b) Number of units outstanding		92 67 340	73 90 598
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



For UTI Retirement Solutions Ltd.



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

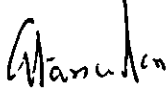



Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 14 SEP 2020  
Place: Mumbai

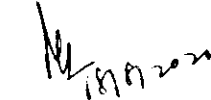
Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLKATA

Munish Malik  
(Chief Executive Officer, NPS Trust)

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		-	-
Interest		1 49 32 123	1 05 74 574
Profit on sale/redemption of investments		2 12 878	2 16 350
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1 28 31 629	21 29 788
Other income			
- Miscellaneous Income		4	21
<b>Total Income (A)</b>		<b>2 79 76 634</b>	<b>1 29 20 733</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		1 07 903	1 71 876
Loss on sale/redemption of investments		429	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		24 577	16 430
NPS Trust fees		7 351	5 506
Custodian fees (including GST)		6 047	5 135
Depository and settlement charges (including GST)		3 370	1 941
CRA Fees		35 033	26 801
Less: Amount recoverable on sale of units on account of CRA Charges		( 35 033)	( 26 801)
Provision for Non-Performing Assets		-	-
Other Expenses		130	-
<b>Total Expenditure (B)</b>		<b>1 49 807</b>	<b>2 00 888</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>2 78 26 827</b>	<b>1 27 19 845</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1 27 23 726)	( 9 05 118)
Less: Amount transferred (to) / from General Reserve		(1 51 03 101)	(1 18 14 727)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

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:

Place: Mumbai



17 4 SEP 2020

For UTI Retirement Solutions Ltd.

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

Date: 27/04/2020

Place: Mumbai



Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen  
(Chairman, NPS Trust Board)

Date:

Place: Mumbai



02/09/2020  
KOLKATA

Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	7 39 05 983	5 63 86 666
Add :Units issued during the year	4 00 33 589	3 25 33 921
Less: Units redeemed during the year	(2 12 66 175)	(1 50 14 604)
<b>Outstanding at the end of the year</b>	<b>9 26 73 397</b>	<b>7 39 05 983</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	73 90 598	56 38 667
Add :Units issued during the year	40 03 360	32 53 392
Less: Units redeemed during the year	( 21 26 618)	( 15 01 461)
<b>Outstanding units at the end of the year</b>	<b>92 67 340</b>	<b>73 90 598</b>

Schedule 2	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	6 10 85 045	4 09 53 337
Add: Premium on Units issued	5 89 42 583	3 73 25 404
Less: Premium on Units redeemed	(3 17 73 065)	(1 71 93 696)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>8 82 54 563</b>	<b>6 10 85 045</b>
<b>General Reserve</b>		
Opening Balance	3 25 81 583	2 07 66 856
Add: Transfer from Revenue Account	1 51 03 101	1 18 14 727
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>4 76 84 684</b>	<b>3 25 81 583</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	9 05 118	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	1 27 23 726	9 05 118
Closing Balance	<b>1 36 28 844</b>	<b>9 05 118</b>
<b>Total</b>	<b>14 95 68 091</b>	<b>9 45 71 746</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	10 555	7 056
Book Overdraft	-	-
Redemption Payable	67 37 428	3 66 377
TDS Payable	276	202
Contracts for Purchase of Investments	-	10 25 928
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>67 48 259</b>	<b>13 99 563</b>



**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, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	23 81 96 577	16 35 35 549
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	65 82 762	28 38 989
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>24 47 79 339</b>	<b>16 63 74 538</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	2 66 139
<b>Total</b>	<b>-</b>	<b>2 66 139</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	-	3 48 637
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	39 09 984	28 36 682
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	3 00 424	51 296
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>42 10 408</b>	<b>32 36 615</b>



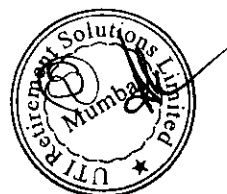
## NATIONAL PENSION SYSTEM TRUST

### 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, 2020

##### 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 and custodian is 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 Stock Holding Corporation of India Ltd. (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 Analytics Ltd. (ICRA) - 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.

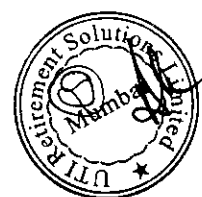
#### B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> 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.



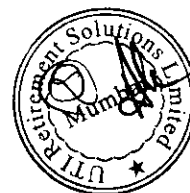
4. **Investments:**
- a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger 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 and stamp charges but exclude brokerage and other transactional charges.
  - f. Investments are reconciled with the custodian records on daily basis.
  - g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> January 2020**

**a) Government Securities:**

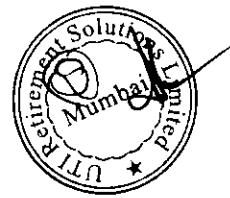
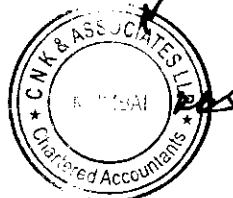
- i) **Securities with residual maturity of more than 30 days :** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.
- ii) **Securities with residual maturity of upto 30 days :** The security 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 9267334.3032 and the balance 5.2712 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:

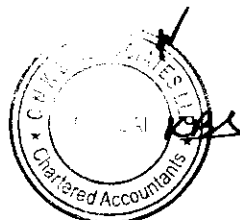
Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 24,577	₹ 16,430

\* 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 7,351	₹ 5,506



- 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	%
57.58	276.30	51.03	244.88	71.82	515.44	67.01	480.91

- 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, 2020 is ₹ NIL. (Previous Year ₹ NIL)

- I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 26.1392	₹ 22.7962

- 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	%
2.80	13.42	0.01	0.07	1.29	9.27	0.02	0.14

- 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	₹ 51.38	₹ 0.66	₹ 66.93	₹ 0.28

O. The Key Statistics for the Financial Year 2019-20 as compared to the Previous Year is attached as per Annexure A.

P. 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 SEP 2020

Place : Mumbai



For UTI Retirement Solutions Ltd.

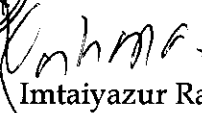
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

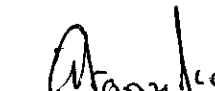
Date : 27/04/2020

Place : Mumbai



  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on behalf of NPS Trust

  
Atanu Sen  
(Chairman, NPS Trust Board)

Date : 02/09/2020

Place : Mumbai KOLKATA



  
Munish Malik  
(Chief Executive Officer, NPS Trust)

Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme G - Tier II			
S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	<b>NAV Per Unit (Rs.)*</b>		
	Open	22.8009	20.9502
	High	26.5053	22.8004
	Low	22.6687	20.4068
	End	26.1392	22.7962
2	<b>Closing Assets Under Management (Rs. In Lakhs)</b>		
	End	2,422.41	1,684.77
	Average (AAUM)	2,083.98	1,393.42
3	<b>Gross income as % of AAUM</b>	13.42%	9.27%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0198%	0.0208%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	<b>Net Income as a percentage of AAUM</b>	13.35%	9.12%
6	<b>Portfolio turnover ratio</b>	0.00%	1.75%
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	14.66%	8.83%
	Last 3 Years	9.21%	8.35%
	Last 5 Years	9.37%	10.39%
	Since Launch of the scheme (December 14, 2009)	9.78%	9.27%
<b>Remarks / Formula / Method of Calculation</b>			
* Declared NAV; Returns calculated based on declared NAV			
1	NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)		
1a	Closing NAV as on 1st April of the Current F Y		
1b	Highest NAV during the F Y		
1c	Lowest NAV during the F Y		
1d	Closing NAV as on 31st March of the Current F Y		
2b	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)		
3	Gross Income = Total Income as per Revenue Account		
4a	Total Expenses = Total Expenses as per Revenue Account		
4b	Investment Management fees (Including applicable Taxes) as per Revenue Account		
5	Net Income = Surplus / Deficit as per Revenue Account		
6	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	CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)		





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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

#### **Registered Office:**

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

**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, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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



### **Emphasis of Matter**

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

Rs.98,386.15 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs. 14,175.00) 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.

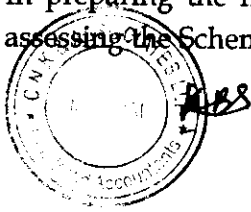
Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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 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: 20100052AAA AFB6590

Place: Mumbai

Date:

14 SEP 2020



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	1 58 58 084	96 56 744
Reserves and Surplus	2	40 43 899	17 57 130
Current Liabilities and Provisions	3	43 187	19 511
<b>Total</b>		<b>1 99 45 170</b>	<b>1 14 33 385</b>
<b>Assets</b>			
Investments	4	1 99 45 169	1 11 44 791
Deposits	5	-	1 58 387
Other Current Assets	6	1	1 30 207
<b>Total</b>		<b>1 99 45 170</b>	<b>1 14 33 385</b>
(a) Net assets as per Balance Sheets		1 99 01 983	1 14 13 874
(b) Number of units outstanding		15 85 808	9 65 674
Significant Accounting Policies and Notes to Accounts	7		

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

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



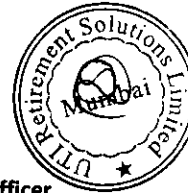
Hiree Shah  
Partner  
Membership No.: 100052



For UTI Retirement Solutions Ltd.



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




Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 14 SEP 2020  
Place: Mumbai

Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLKATA




Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		-	-
Interest		107	30
Profit on sale/redemption of investments		1 55 440	2 61 943
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		7 36 166	2 04 478
Other income		-	-
- Miscellaneous Income		-	14
<b>Total Income (A)</b>		<b>8 91 713</b>	<b>4 66 465</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		-	-
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		1 771	743
NPS Trust fees		538	230
Custodian fees (including GST)		-	-
Depository and settlement charges (including GST)		-	-
CRA Fees		18 972	12 011
Less: Amount recoverable on sale of units on account of CRA Charges		( 18 972)	( 12 011)
Provision for Non-Performing Assets		-	-
Other Expenses		11	-
<b>Total Expenditure (B)</b>		<b>2 320</b>	<b>973</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>8 89 393</b>	<b>4 65 492</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 7 36 166)	( 2 04 478)
Less: Amount transferred (to) / from General Reserve		( 1 53 227)	( 2 61 014)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

7

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

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

Hiren Shah  
Partner  
Membership No.: 100052

Date:  
Place: Mumbai

17 4 SEP 2020



For UTI Retirement Solutions Ltd.

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

Date: 27/04/2020  
Place: Mumbai



Intaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai ) KOLKATA



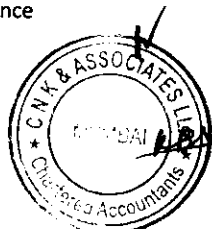
Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	96 56 744	34 20 117
Add :Units issued during the year	85 65 107	71 57 859
Less: Units redeemed during the year	( 23 63 767)	( 9 21 232)
<b>Outstanding at the end of the year</b>	<b>1 58 58 084</b>	<b>96 56 744</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	9 65 674	3 42 012
Add :Units issued during the year	8 56 511	7 15 786
Less: Units redeemed during the year	( 2 36 377)	( 92 124)
<b>Outstanding units at the end of the year</b>	<b>15 85 808</b>	<b>9 65 674</b>

Schedule 2	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	11 91 224	2 36 404
Add: Premium on Units issued	19 25 370	10 80 905
Less: Premium on Units redeemed	( 5 27 994)	( 1 26 085)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>25 88 600</b>	<b>11 91 224</b>
<b>General Reserve</b>		
Opening Balance	3 30 727	69 713
Add: Transfer from Revenue Account	1 53 227	2 61 014
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>4 83 954</b>	<b>3 30 727</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	2 35 179	30 701
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	7 36 166	2 04 478
<b>Closing Balance</b>	<b>9 71 345</b>	<b>2 35 179</b>
<b>Total</b>	<b>40 43 899</b>	<b>17 57 130</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	563	262
Book Overdraft	-	-
Redemption Payable	42 607	19 240
TDS Payable	17	9
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>43 187</b>	<b>19 511</b>

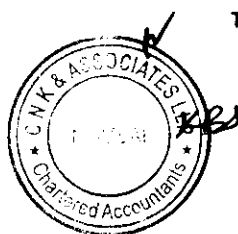


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
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	1 99 45 169	1 11 44 791
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>1 99 45 169</b>	<b>1 11 44 791</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	1 58 387
<b>Total</b>	<b>-</b>	<b>1 58 387</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	1	1 30 177
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	-	30
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>1</b>	<b>1 30 207</b>



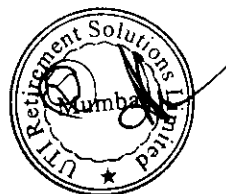
## NATIONAL PENSION SYSTEM TRUST

### 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, 2020

##### 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 and custodian is 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 Stock Holding Corporation of India Ltd. (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 Analytics Ltd. (ICRA) - 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 14<sup>th</sup> 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.



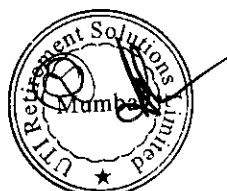
4. **Investments:**
- a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger 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 and stamp charges but exclude brokerage and other transactional charges.
  - f. Investments are reconciled with the custodian records on daily basis.
  - g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> 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 31<sup>st</sup> 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



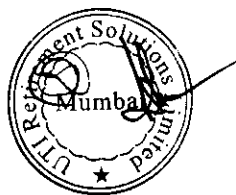
day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

- 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 uniformly 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 1<sup>st</sup> 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  $\pm 0.025\%$ , i.e.  $\pm 2.5$  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 1585806.6444 and the balance 1.5724 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%	₹ 1,771	₹ 743

\* 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 538	₹ 230

- 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	%
1.18	78.58	0.39	25.98	2.71	428.53	2.00	316.54

- 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, 2020 is ₹ NIL. (Previous Year ₹ NIL).

- I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 12.5500	₹ 11.8195



- 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	
₹	%	₹	%	₹	%	₹	%
8,91,713.00	5.93	2,320.00	0.02	4,66,466.00	7.38	973.00	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:**

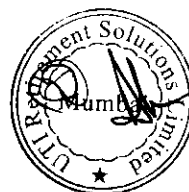
Particulars	Current Year	Previous Year
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest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

The total AUM of Scheme - A Tier - I as on 31st March 2020 is only Rs 1.99 cr approx, which is very small to deploy in alternate investment assets. Although the Scheme objective is to invest in Alternate Investment Assets, the alternate investment assets are illiquid in nature and it is difficult to exit from such investments (which are in small odd lot size) to generate liquidity to meet redemption / switch of PFM as per the needs of investors. The investment options in asset class A are also very few in number. Hence, the amount received under the said scheme has been invested in liquid funds keeping in mind the interest of subscribers. 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:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 1.18	₹ 1.99	₹ 2.69	₹ 1.11



- O. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2020 is Nil.
- P. The Key Statistics for the Financial Year 2019-20 as compared to the Previous Year is attached as per Annexure A.
- Q. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For CN K & Associates LLP  
Chartered Accountants

FKN: 101961W/W-100036


  
Hiren Shah

Partner

M. No. - 100052



For UTI Retirement Solutions Ltd.

  
Balram P Bhagat

Chief Executive Officer  
& Whole Time Director

DIN : 01846261

Date : 27/04/2020

Place : Mumbai



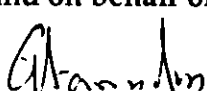
  
Imtaiyazur Rahman

Chairman & Director  
DIN: 01818725

Date : 14 SEP 2020  
Place : Mumbai

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For and on behalf of NPS Trust

  
Atanu Sen

(Chairman, NPS Trust Board)

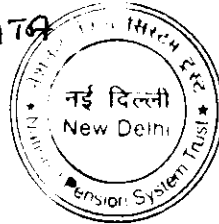
Date : 02/09/2020

Place : Mumbai

  
Munish Malik

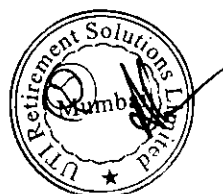
(Chief Executive Officer, NPS Trust)

Place : ~~Mumbai~~ KOLKATA





<b>Key Statistics</b>			
<b>UTI Retirement Solutions Limited</b>			
<b>NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme A - Tier I</b>			
S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	Open	11.8196	10.9868
	High	12.5500	11.8195
	Low	11.8196	10.9868
	End	12.5500	11.8195
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	199.02	114.13
	Average (AAUM)	150.34	63.21
<b>3</b>	<b>Gross income as % of AAUM</b>	5.93%	7.38%
<b>4</b>	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0154%	0.0153%
b	Management Fee as % of AAUM	0.0117%	0.0117%
<b>5</b>	<b>Net Income as a percentage of AAUM</b>	5.92%	7.36%
<b>6</b>	<b>Portfolio turnover ratio</b>	0.00%	0.00%
<b>7</b>	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	6.18%	7.60%
	Last 3 Years	6.87%	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme (October 14, 2016)	6.78%	7.00%
<b>Remarks / Formula / Method of Calculation</b>			
* Declared NAV; Returns calculated based on declared NAV			
1	NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)		
1a	Closing NAV as on 1st April of the Current F Y		
1b	Highest NAV during the F Y		
1c	Lowest NAV during the F Y		
1d	Closing NAV as on 31st March of the Current F Y		
2b	AAUM = (Aggregate of the daily AUM in the relevant F Y) / ( no. of calendar days in the relevant F Y)		
3	Gross Income = Total Income as per Revenue Account		
4a	Total Expenses = Total Expenses as per Revenue Account		
4b	Investment Management fees (Including applicable Taxes) as per Revenue Account		
5	Net Income = Surplus / Deficit as per Revenue Account		
6	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	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)		





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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

#### **Registered Office:**

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

**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
**National Pension System Trust**

**Report on the Audit of Financial Statements****Opinion**

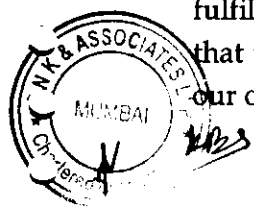
We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme Central Government (the Scheme)** managed by **UTI Retirement Solutions Limited (UTI RSL or PFM)** which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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. 53,03,173.4088 Units, valued at Rs. 15,64,02,251 as on 31st March, 2020 (Previous Year: 53,63,367.5208 Units valued at Rs.14,78,01,537) 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. 20,93,37,724.96 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs.2,20,28,913.78 ) 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 and 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.

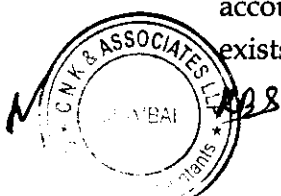
The Board of Directors of PFM is also responsible for overseeing the PFM's financial reporting process on the recommendation of NPS Trust.

### **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**

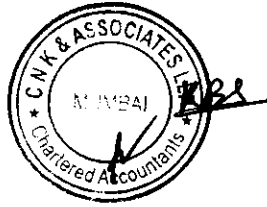
Firm Registration No.:101961W/W-100036

  
**Hiren Shah**

**Partner**

**Membership No.: 100052**

**UDIN: 20100052AAAAFB6590**



Place: Mumbai

Date:

14 SEP 2020

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	15631 77 63 647	13267 21 80 555
Reserves and Surplus	2	30469 90 80 439	23294 06 49 019
Current Liabilities and Provisions	3	2 62 61 837	5 13 27 860
<b>Total</b>		<b>46104 31 05 923</b>	<b>36566 41 57 434</b>
<b>Assets</b>			
Investments	4	45140 41 68 074	35627 64 01 227
Deposits	5	82 10 000	128 18 51 360
Other Current Assets	6	963 07 27 849	810 59 04 847
<b>Total</b>		<b>46104 31 05 923</b>	<b>36566 41 57 434</b>
(a) Net assets as per Balance Sheets		46101 68 44 086	36561 28 29 574
(b) Number of units outstanding		1563 17 76 364	1326 72 18 055
Significant Accounting Policies and Notes to Accounts	7		

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

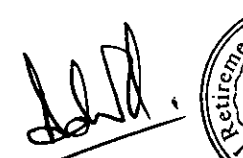
For C N K & Associates LLP (FRN 101961W/W-100036)  
Chartered Accountants

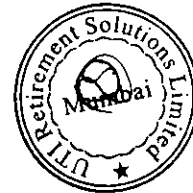
  
Hiren Bhah  
Partner

Membership No.: 100052



For UTI Retirement Solutions Ltd.

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

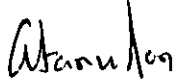


  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 11 4 SEP 2020  
Place: Mumbai

Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLKATA



  
Munish Malik  
(Chief Executive Officer, NPS Trust)



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		75 89 94 763	54 78 82 639
Interest		2700 18 11 308	2124 63 74 817
Profit on sale/redemption of investments		95 28 58 326	76 89 18 052
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1964 31 12 038	1064 52 42 210
Other income			
- Miscellaneous Income		14 509	20 577
<b>Total Income (A)</b>		<b>4835 67 90 944</b>	<b>3320 84 38 295</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		1882 27 94 009	435 82 16 131
Loss on sale/redemption of investments		44 39 48 645	22 29 34 496
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		5 05 47 775	3 83 08 091
NPS Trust fees		1 45 83 943	1 27 16 301
Custodian fees (including GST)		1 42 48 635	1 13 77 941
Depository and settlement charges (including GST)		28 57 366	23 14 891
CRA Fees		1 64 976	3 00 941
Less: Amount recoverable on sale of units on account of CRA Charges		( 1 64 976)	( 3 00 941)
Provision for Non-Performing Assets		228 49 85 522	9 50 14 479
Other Expenses		2 70 784	-
<b>Total Expenditure (B)</b>		<b>2163 42 36 679</b>	<b>474 08 82 330</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>2672 25 54 265</b>	<b>2846 75 55 965</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(82 03 18 029)	(628 70 26 079)
Less: Amount transferred (to) / from General Reserve		(2590 22 36 236)	(2218 05 29 886)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

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:

Place: Mumbai

14 SEP 2020

For UTI Retirement Solutions Ltd.

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



Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020

Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen  
(Chairman, NPS Trust Board)

Date:

Place: Mumbai

02/09/2020  
KOLKATA

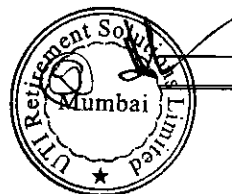
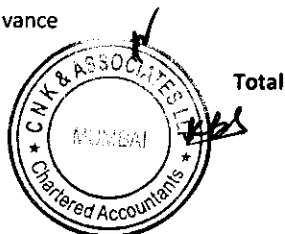


Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	13267 21 80 555	11196 17 63 154
Add :Units issued during the year	2457 08 65 557	2153 36 29 253
Less: Units redeemed during the year	(92 52 82 465)	(82 32 11 852)
<b>Outstanding at the end of the year</b>	<b>15631 77 63 647</b>	<b>13267 21 80 555</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	1326 72 18 055	1119 61 76 315
Add :Units issued during the year	245 70 86 556	215 33 62 925
Less: Units redeemed during the year	(9 25 28 247)	(8 23 21 185)
<b>Outstanding units at the end of the year</b>	<b>1563 17 76 364</b>	<b>1326 72 18 055</b>
<b>Schedule 2</b>		
	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	12623 24 73 252	9332 23 18 226
Add: Premium on Units issued	4679 85 53 514	3422 64 35 847
Less: Premium on Units redeemed	(176 26 76 359)	(131 62 80 821)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>17126 83 50 407</b>	<b>12623 24 73 252</b>
<b>General Reserve</b>		
Opening Balance	8830 93 28 809	6612 87 98 923
Add: Transfer from Revenue Account	2590 22 36 236	2218 05 29 886
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>11421 15 65 045</b>	<b>8830 93 28 809</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	1839 88 46 958	1211 18 20 879
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	82 03 18 029	628 70 26 079
Closing Balance	<b>1921 91 64 987</b>	<b>1839 88 46 958</b>
<b>Total</b>	<b>30469 90 80 439</b>	<b>23294 06 49 019</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	2 03 48 282	1 52 49 818
Book Overdraft	-	-
Redemption Payable	53 77 707	3 56 52 591
TDS Payable	5 35 848	4 25 451
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>2 62 61 837</b>	<b>5 13 27 860</b>

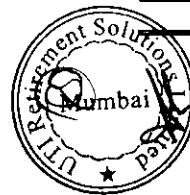


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	4248 71 02 602	5074 91 41 109
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	16614 53 62 887	12725 19 05 120
Central and State Government Securities (including treasury bills)	23866 10 64 230	17724 25 33 864
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	411 06 38 355	57 03 35 613
Non Convertible Debentures classified as NPA	214 00 00 000	48 75 00 000
Less: Provision on Non performing investment	(214 00 00 000)	(2 50 14 479)
<b>Total</b>	<b>45140 41 68 074</b>	<b>35627 64 01 227</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	82 10 000	128 18 51 360
<b>Total</b>	<b>82 10 000</b>	<b>128 18 51 360</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	1	10 56 93 905
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	26 23 42 599	9 38 75 795
Less: Provision for interest on Non-Performing Investment	(26 23 42 599)	(9 38 75 795)
Outstanding and accrued income	951 25 20 456	782 06 15 801
Dividend Receivable	79 06 920	95 95 141
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	11 03 00 472	5 00 00 000
Redemption receivable on Non performing Investment	24 00 00 000	19 00 00 000
Less: Provision for Non Performing Investment	(24 00 00 000)	(7 00 00 000)
<b>Total</b>	<b>963 07 27 849</b>	<b>810 59 04 847</b>



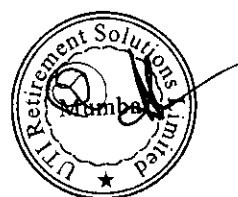
## NATIONAL PENSION SYSTEM TRUST

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, 2020

#### 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 and custodian is 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.

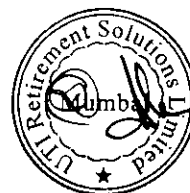


3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.
4. ICRA Analytics Ltd. (ICRA) - ICRA has been designated as valuation service 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 1<sup>st</sup> April, 2008.
3. **Investment pattern to be followed as per PFRDA Regulations:**

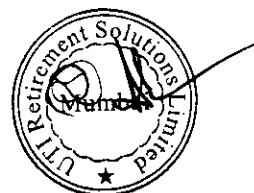
Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15



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.

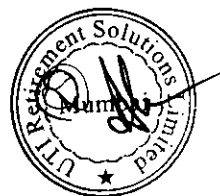


4. **Investments:**
- a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger 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 and stamp charges but exclude brokerage and other transactional charges.
  - f. Investments are reconciled with the custodian records on daily basis.
  - g. 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> January, 2020 are on the basis of revised methodology. Due to this revision, investments value are reduced by Rs. 109.70 crores on 31<sup>st</sup> March, 2020.

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.



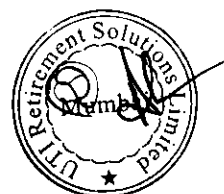
iii. **Right entitlement:**

- 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 31<sup>st</sup> 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 uniformly 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 1<sup>st</sup> 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.

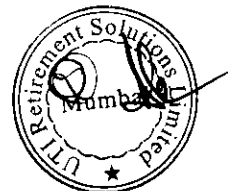
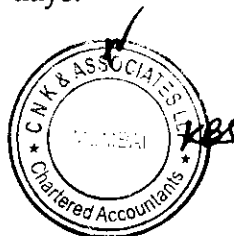
#### i) **All Instruments/Securities with residual maturity of more than 30 days :**

- 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 $\pm 0.025\%$ , i.e. $\pm 2.5$ 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.

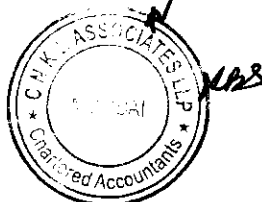
**7. Non Performing Investments:**

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.

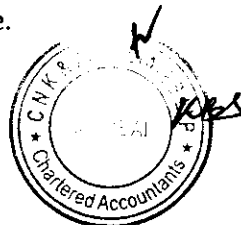
Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- 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 which is attached herewith.

### 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 15631767711.8382 and the balance 8652.6522 have been identified as residual units with CRA

Total 5303173.4088 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 6326.3930 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.

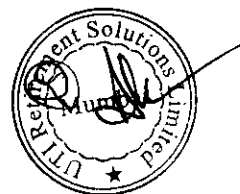
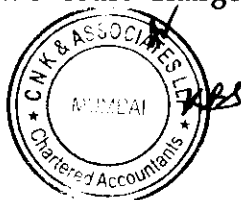
E. **Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 5,05,47,775	₹ 3,83,08,091

\* 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 1,45,83,943	₹ 1,27,16,301

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	%
48,505.69	115.45	38,282.04	91.11	49,143.61	154.33	41,224.86	129.46

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, 2020 is ₹ 7,597.48 Crores. (Previous Year ₹ 5,660.90 Crores)

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 29.4922	₹ 27.5576

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:

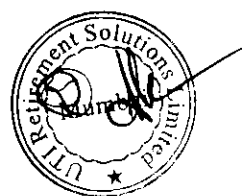
Current Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
4,835.68	11.51	2,163.42	5.15	3,320.84	10.43	474.09	1.49

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 31<sup>st</sup> March, 2020 is as under:

₹ in Crores

Particular	As on 31st March, 2020****	As on 31st March, 2019
Book Value	238.00	83.91
Provision for NPA	238.00	9.50
Carrying Cost	-	74.41
Market Value***	-	-
% of NPA (Gross) to AUM	0.52	0.23

\*\*\* 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 31<sup>st</sup> March, 2020 is ₹ 4,04,75,800 towards uncalled amount of ₹ 461 per shares on 87,800 Partly Paid shares of Tata Steel Limited. (Previous Year ₹ 4,04,75,800).

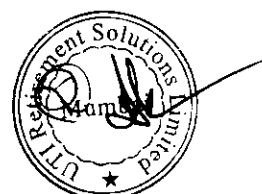
O. Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 31<sup>st</sup> March, 2020 is ₹ NIL. (Previous Year ₹ Nil)

P. The investment in Air India Bond has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

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	₹ 37,877.34	₹ 310.96	₹ 40,748.40	₹ 37.01



- R. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2020 is given in Annexure A.
- S. The Key Statistics for the Financial Year 2019-20 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 :

Place : Mumbai



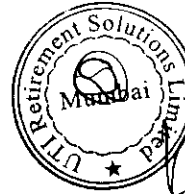
For UTI Retirement Solutions Ltd.

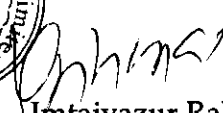
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

Date : 27/04/2020

Place : Mumbai



  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on behalf of NPS Trust

  
Atanu Sen  
(Chairman, NPS Trust Board)

Date : 02/09/2020

Place : Mumbai KOLKATA

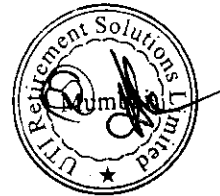
  
Munish Malik  
(Chief Executive Officer, NPS Trust)



## ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is &gt;= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	86,95,982	2,81,53,24,173	0.61	6.63
HDFC BANK LTD.	27,32,396	2,35,50,52,112	0.51	5.54
KOTAK MAHINDRA BANK LTD.	14,76,195	1,91,32,22,530	0.42	4.50
STATE BANK OF INDIA	78,22,913	1,53,99,40,424	0.33	3.62
AXIS BANK LTD.	38,74,745	1,46,85,28,355	0.32	3.46
INDUSIND BANK LTD.	12,09,359	42,48,47,817	0.09	1.00
BANK OF BARODA	28,93,135	15,49,27,379	0.03	0.36
FEDERAL BANK LTD.	16,78,050	6,88,83,953	0.01	0.16
IDFC BANK LIMITED	23,86,722	5,03,59,834	0.01	0.12
PUNJAB NATIONAL BANK	6,19,890	2,00,53,442	0.00	0.05
YES BANK	6,81,131	1,52,91,391	0.00	0.04
		<b>10,82,64,31,410</b>	<b>2.33</b>	<b>25.48</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	40,18,156	2,57,76,47,074	0.56	6.07
TATA CONSULTANCY SERVICES LTD.	11,42,534	2,08,63,81,337	0.45	4.91
TECH MAHINDRA LTD.	5,78,234	32,69,91,327	0.07	0.77
HCL TECHNOLOGIES LIMITED	5,73,482	25,02,67,545	0.05	0.59
WIPRO LTD.	4,11,058	8,08,55,109	0.02	0.19
		<b>5,32,21,42,392</b>	<b>1.15</b>	<b>12.53</b>
<b>PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS</b>				
RELIANCE INDUSTRIES LTD.	28,13,239	3,13,32,44,936	0.68	7.37
BHARAT PETROLEUM CORPORATION LTD.	6,61,327	20,95,74,526	0.05	0.49
INDIAN OIL CORPORATION LTD.	18,82,968	15,37,44,337	0.03	0.36
CASTROL INDIA LTD.	13,56,000	13,48,54,200	0.03	0.32
		<b>3,63,14,17,999</b>	<b>0.79</b>	<b>8.54</b>
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
DIVIS LABORATORIES LTD.	2,38,003	47,33,99,867	0.10	1.11
LUPIN LTD.	7,76,235	45,77,06,968	0.10	1.08
SUN PHARMACEUTICAL INDUSTRIES LTD.	11,29,073	39,77,72,418	0.09	0.94
CIPLA LTD.	8,76,742	37,07,30,355	0.08	0.87
DR. REDDYS LABORATORIES LTD.	98,543	30,75,28,067	0.07	0.72
CADILA HEALTHCARE LTD.	8,01,317	21,41,51,968	0.05	0.50
		<b>2,22,12,89,643</b>	<b>0.49</b>	<b>5.22</b>

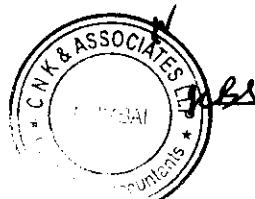




Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	12,18,20,000	12,52,77,78,088	2.72	7.44
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	9,67,80,000	10,05,79,11,124	2.18	5.98
HOUSING AND URBAN DEVELOPMENT CORPORATION	4,24,90,000	4,57,25,49,859	0.99	2.72
PNB HOUSING FINANCE LIMITED	45,00,000	42,91,79,400	0.09	0.26
NATIONAL HOUSING BANK	25,00,000	25,72,35,500	0.06	0.15
		<b>27,84,46,53,971.00</b>	<b>6.04</b>	<b>16.55</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	11,78,50,000	12,31,63,09,704	2.67	7.32
ICICI BANK LTD.	8,80,50,000	9,09,04,89,698	1.97	5.40
HDFC BANK LTD.	3,49,10,000	3,64,55,96,714	0.79	2.17
IDFC BANK LIMITED	1,12,80,000	1,11,19,27,291	0.24	0.66
KOTAK MAHINDRA BANK LTD.	44,90,000	46,46,60,222	0.10	0.28
YES BANK	40,00,000	20,00,00,000	0.04	0.12
PUNJAB NATIONAL BANK	10,00,000	10,22,46,300	0.02	0.06
ING VYSYA BANK LTD.	8,00,000	8,54,41,760	0.02	0.05
		<b>27,01,66,71,689</b>	<b>5.85</b>	<b>16.06</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	10,83,00,000	11,16,55,50,036	2.42	6.63
POWER FINANCE CORPORATION LTD.	9,48,70,000	9,75,53,26,631	2.12	5.80
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	15,00,000	14,98,28,100	0.03	0.09
		<b>21,07,07,04,767</b>	<b>4.57</b>	<b>12.52</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	14,34,90,000	15,02,15,26,689	3.26	8.93
EXPORT IMPORT BANK OF INDIA	2,77,80,000	2,96,14,71,862	0.64	1.76
		<b>17,98,29,98,551.00</b>	<b>3.90</b>	<b>10.69</b>
<b>PASSENGER RAIL TRANSPORT</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	11,88,20,000	12,40,46,32,964	2.69	7.37
		<b>12,40,46,32,964</b>	<b>2.69</b>	<b>7.37</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	11,61,30,000	12,07,60,60,090	2.62	7.18
		<b>12,07,60,60,090</b>	<b>2.62</b>	<b>7.18</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	10,51,50,000	11,14,20,74,851	2.42	6.62
		<b>11,14,20,74,851</b>	<b>2.42</b>	<b>6.62</b>



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, 2020	As at March 31, 2019
1	<b>NAV Per Unit (Rs.)*</b>		
	Open	27.5818	25.3280
	High	30.3954	27.5576
	Low	27.3726	25.0085
	End	29.4922	27.5576
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	46,10,168.44	36,56,128.29
	Average (AAUM)	42,01,592.16	31,84,269.96
3	<b>Gross income as % of AAUM</b>	11.51%	10.43%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0196%	0.0203%
b	Management Fee as % of AAUM	0.0120%	0.0120%
5	<b>Net Income as a percentage of AAUM</b>	6.36%	8.94%
6	<b>Portfolio turnover ratio</b>	2.45%	1.25%
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	7.02%	8.82%
	Last 3 Years	7.36%	9.53%
	Last 5 Years	8.36%	10.58%
	Since Launch of the scheme (1st April, 2008)	9.43%	9.65%
<b>Remarks / Formula / Method of Calculation</b>			
* Declared NAV; Returns calculated based on declared NAV			
1	NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)		
1a	Closing NAV as on 1st April of the Current F Y		
1b	Highest NAV during the F Y		
1c	Lowest NAV during the F Y		
1d	Closing NAV as on 31st March of the Current F Y		
2b	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)		
3	Gross Income = Total Income as per Revenue Account		
4a	Total Expenses = Total Expenses as per Revenue Account		
4b	Investment Management fees (Including applicable Taxes) as per Revenue Account		
5	Net Income = Surplus / Deficit as per Revenue Account		
6	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	CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)		





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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

**Registered Office:**

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

**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on the Audit of Financial Statements****Opinion**

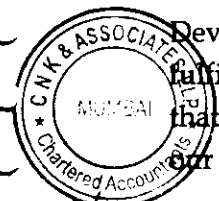
We have audited the accompanying financial statements of National Pension System Trust (NPS Trust) A/c UTI Retirement Solutions Pension Fund Scheme State Government (the Scheme) managed by UTI Retirement Solutions Limited (UTI RSL or PFM) which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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.89,98,46,926.08 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs. 30,38,70,495.61) 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.

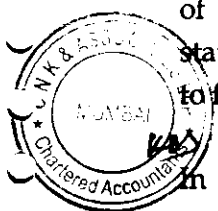
Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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: 20100052AAA AF86590



Place: Mumbai

Date:

14 SEP 2020

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	26774 10 06 709	21576 80 51 525
Reserves and Surplus	2	43601 67 81 319	31362 18 77 553
Current Liabilities and Provisions	3	3 82 76 277	5 02 91 348
<b>Total</b>		<b>70379 60 64 305</b>	<b>52944 02 20 426</b>
<b>Assets</b>			
Investments	4	68935 45 83 126	51504 67 36 762
Deposits	5	50 47 09 492	234 25 48 986
Other Current Assets	6	1393 67 71 687	1205 09 34 678
<b>Total</b>		<b>70379 60 64 305</b>	<b>52944 02 20 426</b>
(a) Net assets as per Balance Sheets		70375 77 88 028	52938 99 29 078
(b) Number of units outstanding		2677 41 00 671	2157 68 05 152
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



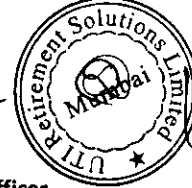
Hiren Shah  
Partner  
Membership No.: 100052

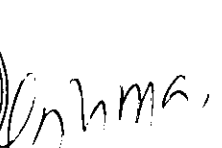


For UTI Retirement Solutions Ltd.



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



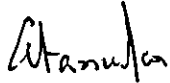


Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 14 SEP 2020  
Place: Mumbai

Date: 27/04/2020  
Place: Mumbai

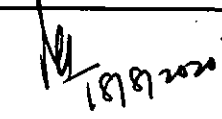
For and on Behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai  
KOLKATA





Munish Malik  
(Chief Executive Officer, NPS Trust)



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		109 39 39 577	73 82 11 768
Interest		4003 36 83 524	2956 36 98 654
Profit on sale/redemption of investments		126 90 86 163	113 01 43 170
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		2933 77 65 468	1498 05 48 669
Other income			
- Miscellaneous Income		17 623	51 625
<b>Total Income (A)</b>		<b>7173 44 92 355</b>	<b>4641 26 53 886</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		2797 60 18 908	583 01 87 596
Loss on sale/redemption of investments		62 57 73 006	19 36 41 614
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		7 50 42 184	5 33 03 654
NPS Trust fees		2 18 34 727	1 75 76 732
Custodian fees (including GST)		1 79 22 079	1 58 39 302
Depository and settlement charges (including GST)		77 90 602	33 78 097
CRA Fees		4 75 952	6 58 686
Less: Amount recoverable on sale of units on account of CRA Charges		( 4 75 952)	( 6 58 686)
Provision for Non-Performing Assets		312 61 00 000	13 70 00 000
Other Expenses		3 68 994	-
<b>Total Expenditure (B)</b>		<b>3185 08 50 500</b>	<b>625 09 26 995</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>3988 36 41 855</b>	<b>4016 17 26 891</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(136 17 46 560)	(915 03 61 073)
Less: Amount transferred (to) / from General Reserve		(3852 18 95 295)	(3101 13 65 818)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

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 SEP 2020  
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: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai

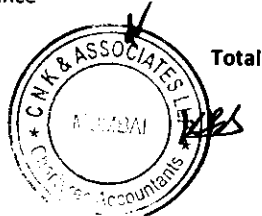


Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	21576 80 51 525	17032 50 05 215
Add :Units issued during the year	5354 71 71 871	4655 08 80 522
Less: Units redeemed during the year	(157 42 16 687)	(110 78 34 212)
<b>Outstanding at the end of the year</b>	<b>26774 10 06 709</b>	<b>21576 80 51 525</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	2157 68 05 152	1703 25 00 521
Add :Units issued during the year	535 47 17 187	465 50 88 052
Less: Units redeemed during the year	(15 74 21 668)	(11 07 83 421)
<b>Outstanding units at the end of the year</b>	<b>2677 41 00 671</b>	<b>2157 68 05 152</b>
<b>Schedule 2</b>		
	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	19478 05 42 368	13510 91 04 033
Add: Premium on Units issued	8502 75 81 687	6111 64 21 941
Less: Premium on Units redeemed	(251 63 19 776)	(144 49 83 606)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>27729 18 04 279</b>	<b>19478 05 42 368</b>
<b>General Reserve</b>		
Opening Balance	9690 78 18 448	6589 64 52 630
Add: Transfer from Revenue Account	3852 18 95 295	3101 13 65 818
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>13542 97 13 743</b>	<b>9690 78 18 448</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	2193 35 16 737	1278 31 55 664
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	136 17 46 560	915 03 61 073
<b>Closing Balance</b>	<b>2329 52 63 297</b>	<b>2193 35 16 737</b>
<b>Total</b>	<b>43601 67 81 319</b>	<b>31362 18 77 553</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	3 07 39 959	2 17 31 233
Book Overdraft	-	-
Redemption Payable	67 21 975	2 79 49 780
TDS Payable	8 14 343	6 10 335
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>3 82 76 277</b>	<b>5 02 91 348</b>

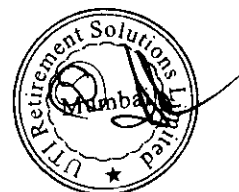


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	6312 62 16 887	7193 95 28 368
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	24864 96 95 940	18595 56 04 566
Central and State Government Securities (including treasury bills)	36489 14 35 513	25453 64 69 524
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	1268 72 34 786	191 74 34 304
Non Convertible Debentures classified as NPA	271 51 00 000	76 02 00 000
Less: Provision on Non performing investment	(271 51 00 000)	(6 25 00 000)
<b>Total</b>	<b>68935 45 83 126</b>	<b>51504 67 36 762</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	50 47 09 492	234 25 48 986
<b>Total</b>	<b>50 47 09 492</b>	<b>234 25 48 986</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	-	100 09 20 757
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	36 36 77 521	13 57 14 133
Less: Provision for interest on Non-Performing Investment	(36 36 77 521)	(13 57 14 133)
Outstanding and accrued income	1374 77 25 526	1076 30 01 178
Dividend Receivable	1 30 64 464	1 35 12 743
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	17 59 81 697	15 00 00 000
Redemption receivable on Non performing Investment	54 80 00 000	19 80 00 000
Less: Provision for Non Performing Investment	(54 80 00 000)	(7 45 00 000)
<b>Total</b>	<b>1393 67 71 687</b>	<b>1205 09 34 678</b>



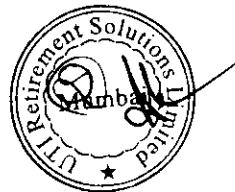
## NATIONAL PENSION SYSTEM TRUST

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, 2020

#### 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 and custodian is 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 Stock Holding Corporation of India Ltd. (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 Analytics Ltd. (ICRA) - 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 25<sup>th</sup> June, 2009.

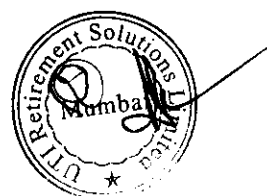
#### 3. Investment pattern to be followed as per the PFRDA Regulation:

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

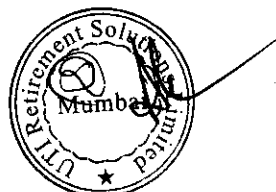
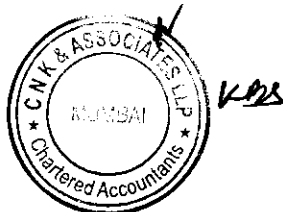
1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes



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.

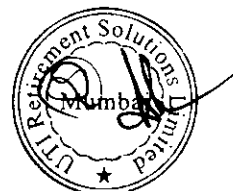
- e. The cost of investments acquired or purchased includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.
  - f. Investments are reconciled with the custodian records on daily basis.
  - g. As per Investment Management Agreement dated 18th April, 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.
5. **Valuation of investments:** Valuation policy is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> January, 2020 are on the basis of revised methodology. Due to this revision, investments Value are reduced by Rs. 152.54 crores on 31<sup>st</sup> March, 2020.

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

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

**a. Equity:**

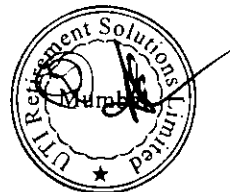
- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
  - 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 31<sup>st</sup> 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 uniformly 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 1<sup>st</sup> 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.

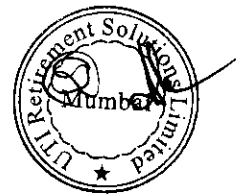
c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

**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  $\pm 0.025\%$ , i.e.  $\pm 2.5$  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.

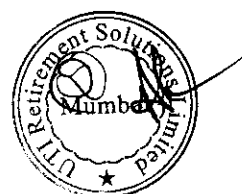
7. **Non Performing Investments:**

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.

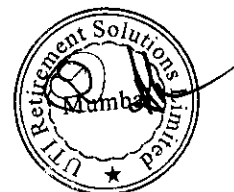
Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- 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 which is attached herewith.

**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 26774084445.9910 and the balance 16224.8672 have been identified as residual units with CRA.

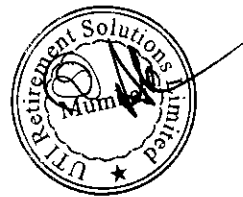
Total 225098.0418 Units are lying in the name of "State Govt. Suspense PRAN" & "UOS Suspense PRAN" maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

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%	₹ 7,50,42,184	₹ 5,33,03,654

\* 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 2,18,34,727	₹ 1,75,76,732

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	%
66,606.05	106.77	48,255.52	77.35	61,487.22	138.73	47,832.68	107.92

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, 2020 is ₹ 10,923.34 Crores. (Previous Year ₹ 8,034.99 Crores).

I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 26.2850	₹ 24.5351

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	%
7,173.45	11.50	3,185.09	5.11	4,641.27	10.47	625.09	1.41

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 31<sup>st</sup> March, 2020 is as under:

₹ in Crores

Particular	As on 31st March, 2020****	As on 31st March, 2019
Book Value	326.31	121.06
Provision for NPA	326.31	13.70
Carrying Cost	-	107.36
Market Value***	-	-
% of NPA (Gross) to AUM	0.46	0.23

\*\*\* 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 31<sup>st</sup> March, 2020 is ₹ 5,64,72,500 towards uncalled amount of ₹ 461 per shares on 1,22,500 Partly Paid shares of Tata Steel Limited. (Previous Year ₹ 5,64,72,500).**

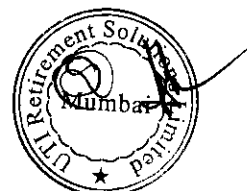
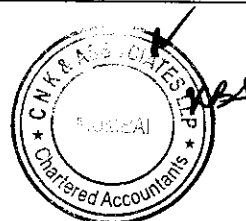
**O. Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 31<sup>st</sup> March, 2020 is ₹ NIL. (Previous Year ₹ Nil)**

**P. The investment in Air India Bond has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.**

**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	₹ 48,455.98	₹ 1,117.98	₹ 47,165.28	₹ 161.17



R. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2020 is given in Annexure A.

S. The Key Statistics for the Financial Year 2019-20 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 SEP 2020

Place: Mumbai



For UTI Retirement Solutions Ltd.

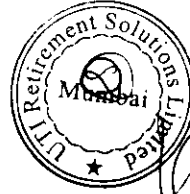


Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

Date : 27/04/2020

Place : Mumbai

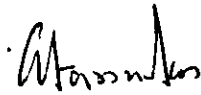


Imtaiyazur Rahman  
Chairman & Director

DIN: 01818725

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For and on behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020

Place: Mumbai / KOLKATA



Munish Malik  
(Chief Executive Officer, NPS Trust)

**ANNEXURE A**

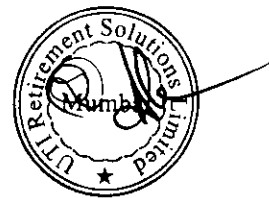
**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	1,28,33,816	4,15,49,47,930	0.59	6.58
HDFC BANK LTD.	39,14,478	3,37,38,88,588	0.48	5.34
KOTAK MAHINDRA BANK LTD.	21,96,408	2,84,66,54,588	0.40	4.51
AXIS BANK LTD.	63,11,407	2,39,20,23,253	0.34	3.79
STATE BANK OF INDIA	1,20,28,564	2,36,78,22,823	0.34	3.75
INDUSIND BANK LTD.	17,91,233	62,92,60,153	0.09	1.00
BANK OF BARODA	42,41,911	22,71,54,334	0.03	0.36
FEDERAL BANK LTD.	18,36,800	7,54,00,640	0.01	0.12
IDFC BANK LIMITED	31,02,982	6,54,72,920	0.01	0.10
YES BANK	14,76,775	3,31,53,599	0.00	0.05
PUNJAB NATIONAL BANK	3,88,806	1,25,77,874	0.00	0.02
		<b>16,17,83,56,702</b>	<b>2.29</b>	<b>25.62</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	59,26,202	3,80,16,58,583	0.54	6.02
TATA CONSULTANCY SERVICES LTD.	16,84,498	3,07,60,61,798	0.44	4.87
TECH MAHINDRA LTD.	9,05,090	51,18,28,395	0.07	0.81
HCL TECHNOLOGIES LIMITED	6,31,646	27,56,50,314	0.04	0.44
WIPRO LTD.	4,56,225	8,97,39,458	0.01	0.14
		<b>7,75,49,38,548</b>	<b>1.10</b>	<b>12.28</b>
<b>PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS</b>				
RELIANCE INDUSTRIES LTD.	41,74,249	4,64,90,69,824	0.66	7.36
BHARAT PETROLEUM CORPORATION LTD.	12,27,819	38,90,95,841	0.06	0.62
INDIAN OIL CORPORATION LTD.	26,59,200	21,71,23,680	0.03	0.34
CASTROL INDIA LTD.	16,96,574	16,87,24,284	0.02	0.27
		<b>5,42,40,13,629</b>	<b>0.77</b>	<b>8.59</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
DIVIS LABORATORIES LTD.	3,84,014	76,38,23,047	0.11	1.21
LUPIN LTD.	10,64,541	62,77,06,601	0.09	0.99
CIPLA LTD.	13,56,091	57,34,23,079	0.08	0.91
SUN PHARMACEUTICAL INDUSTRIES LTD.	15,50,653	54,62,95,052	0.08	0.87
DR. REDDYS LABORATORIES LTD.	1,21,037	37,77,26,218	0.05	0.60
CADILA HEALTHCARE LTD.	12,19,000	32,57,77,750	0.05	0.52
		<b>3,21,47,51,747</b>	<b>0.46</b>	<b>5.10</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	16,10,104	2,62,94,60,842	0.37	4.17
LIC HOUSING FINANCE LTD.	23,77,592	55,94,47,398	0.08	0.89
		<b>3,18,89,08,240</b>	<b>0.45</b>	<b>5.06</b>

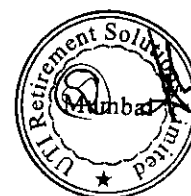
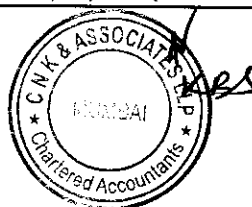




Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	19,28,30,000	19,89,18,54,671	2.83	7.91
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	15,82,70,000	16,53,57,76,434	2.35	6.58
HOUSING AND URBAN DEVELOPMENT CORPORATION	8,69,90,000	9,33,30,75,687	1.33	3.71
PNB HOUSING FINANCE LIMITED	75,00,000	72,44,72,800	0.10	0.29
NATIONAL HOUSING BANK	25,00,000	25,72,35,500	0.04	0.10
		<b>46,74,24,15,092</b>	<b>6.65</b>	<b>18.59</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	16,99,20,000	17,72,94,81,210	2.52	7.05
ICICI BANK LTD.	11,12,60,000	11,50,74,32,423	1.64	4.58
HDFC BANK LTD.	4,35,50,000	4,54,61,04,170	0.65	1.81
IDFC BANK LIMITED	1,53,40,000	1,51,09,54,375	0.21	0.60
KOTAK MAHINDRA BANK LTD.	94,10,000	96,39,06,948	0.14	0.38
YES BANK	52,00,000	26,00,00,000	0.04	0.10
PUNJAB NATIONAL BANK	9,00,000	9,20,21,670	0.01	0.04
ING VYSYA BANK LTD.	7,00,000	7,47,61,540	0.01	0.03
		<b>36,68,46,62,336</b>	<b>5.22</b>	<b>14.59</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	15,37,60,000	15,95,00,70,718	2.27	6.35
POWER FINANCE CORPORATION LTD.	13,76,10,000	14,15,44,89,982	2.01	5.63
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	9,50,000	9,48,91,130	0.01	0.04
		<b>30,19,94,51,830</b>	<b>4.29</b>	<b>12.02</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	22,68,30,000	23,85,53,53,611	3.39	9.49
EXPORT IMPORT BANK OF INDIA	4,85,30,000	5,20,13,47,132	0.74	2.07
		<b>29,05,67,00,743</b>	<b>4.13</b>	<b>11.56</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	20,20,60,000	21,01,88,70,009	2.99	8.36
		<b>21,01,88,70,009</b>	<b>2.99</b>	<b>8.36</b>
<b>PASSENGER RAIL TRANSPORT</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	19,27,40,000	20,11,16,99,598	2.86	8.00
		<b>20,11,16,99,598</b>	<b>2.86</b>	<b>8.00</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	12,71,70,000	13,49,26,92,551	1.92	5.37
		<b>13,49,26,92,551</b>	<b>1.92</b>	<b>5.37</b>



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, 2020	As at March 31, 2019
1	<b>NAV Per Unit (Rs.)*</b>		
	Open	24.5534	22.5559
	High	27.0838	24.5351
	Low	24.3599	22.2569
	End	26.2850	24.5351
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	70,37,577.88	52,93,899.29
	Average (AAUM)	62,38,515.14	44,32,274.75
3	<b>Gross income as % of AAUM</b>	11.50%	10.47%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0197%	0.0203%
b	Management Fee as % of AAUM	0.0120%	0.0120%
5	<b>Net Income as a percentage of AAUM</b>	6.39%	9.06%
6	<b>Portfolio turnover ratio</b>	2.02%	0.86%
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	7.13%	8.79%
	Last 3 Years	7.32%	9.42%
	Last 5 Years	8.33%	10.57%
	Since Launch of the scheme (June 25, 2009)	9.39%	9.62%
<b>Remarks / Formula / Method of Calculation</b> * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 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 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

**Registered Office:**

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

**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, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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.11,18,342.28 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs. 7,63,471.50) 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.

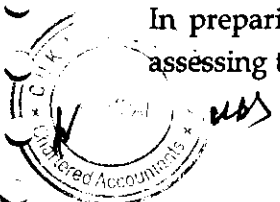
Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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.

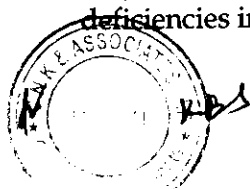
### **Auditor's Responsibility for the Audit of the Financial Statements**

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: 20100052A A A A F B 6 5 9 0**

Place: Mumbai

Date: 11 4 SEP 2020



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	433 56 38 461	421 67 18 154
Reserves and Surplus	2	623 13 31 266	543 01 18 624
Current Liabilities and Provisions	3	6 58 443	15 42 543
<b>Total</b>		<b>1056 76 28 170</b>	<b>964 83 79 321</b>
<b>Assets</b>			
Investments	4	1037 07 12 646	944 91 99 761
Deposits	5	-	1 31 38 967
Other Current Assets	6	19 69 15 524	18 60 40 593
<b>Total</b>		<b>1056 76 28 170</b>	<b>964 83 79 321</b>
(a) Net assets as per Balance Sheets		1056 69 69 727	964 68 36 778
(b) Number of units outstanding		43 35 63 846	42 16 71 815
Significant Accounting Policies and Notes to Accounts	7		


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

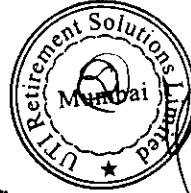
For CN K & Associates LLP (FRN 101961W/W-100036)  
Chartered Accountants

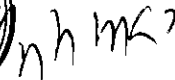
  
Hiren Shah  
Partner  
Membership No.: 100052



For UTI Retirement Solutions Ltd.

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

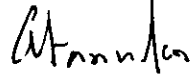


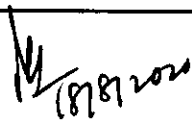
  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 14 SEP 2020  
Place: Mumbai

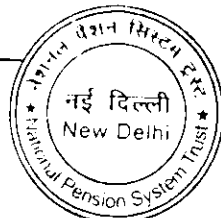
Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

  
Atanu Sen  
(Chairman, NPS Trust Board)

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

Date: 02/09/2020  
Place: Mumbai } KOLKATA





**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, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		2 04 41 078	1 60 55 555
Interest		66 09 03 230	59 39 98 391
Profit on sale/redemption of investments		4 33 84 571	3 23 03 887
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		47 40 87 114	26 53 26 004
Other income			
- Miscellaneous Income		769	487
<b>Total Income (A)</b>		<b>119 88 16 762</b>	<b>90 76 84 324</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		50 46 29 969	12 01 96 645
Loss on sale/redemption of investments		84 60 266	35 02 165
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		12 38 476	10 70 852
NPS Trust fees		3 49 380	3 59 958
Custodian fees (including GST)		2 89 003	3 14 559
Depository and settlement charges (including GST)		1 15 788	57 896
CRA Fees		2 40 97 561	2 45 53 221
Less: Amount recoverable on sale of units on account of CRA Charges		(2 40 97 561)	(2 45 53 221)
Provision for Non-Performing Assets		5 02 50 000	52 50 000
Other Expenses		5 940	-
<b>Total Expenditure (B)</b>		<b>56 53 38 822</b>	<b>13 07 52 075</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>63 34 77 940</b>	<b>77 69 32 249</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		3 05 42 855	(14 51 29 359)
Less: Amount transferred (to) / from General Reserve		(66 40 20 795)	(63 18 02 890)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

7

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

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

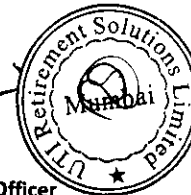
Hiren Shah  
Partner  
Membership No.: 100052



Date: 17/4/2020  
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: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai



Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	421 67 18 154	403 58 17 866
Add :Units issued during the year	19 18 68 534	24 94 75 753
Less: Units redeemed during the year	(7 29 48 227)	(6 85 75 465)
<b>Outstanding at the end of the year</b>	<b>433 56 38 461</b>	<b>421 67 18 154</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	42 16 71 815	40 35 81 787
Add :Units issued during the year	1 91 86 854	2 49 47 575
Less: Units redeemed during the year	( 72 94 823)	( 68 57 547)
<b>Outstanding units at the end of the year</b>	<b>43 35 63 846</b>	<b>42 16 71 815</b>
Schedule 2	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	216 00 80 775	194 95 93 354
Add: Premium on Units issued	26 98 52 491	28 92 64 985
Less: Premium on Units redeemed	(10 21 17 789)	(7 87 77 564)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>232 78 15 477</b>	<b>216 00 80 775</b>
<b>General Reserve</b>		
Opening Balance	263 52 16 544	200 34 13 654
Add: Transfer from Revenue Account	66 40 20 795	63 18 02 890
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>329 92 37 339</b>	<b>263 52 16 544</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	63 48 21 305	48 96 91 946
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(3 05 42 855)	14 51 29 359
<b>Closing Balance</b>	<b>60 42 78 450</b>	<b>63 48 21 305</b>
<b>Total</b>	<b>623 13 31 266</b>	<b>543 01 18 624</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	4 71 448	4 05 628
Book Overdraft	-	-
Redemption Payable	1 74 786	11 25 772
TDS Payable	12 209	11 143
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>6 58 443</b>	<b>15 42 543</b>

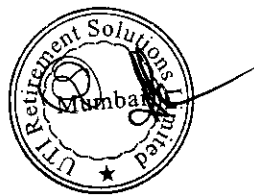
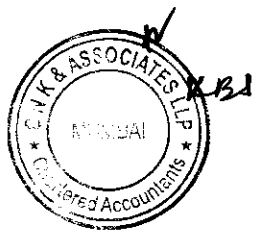


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	103 10 78 329	135 90 28 634
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	346 49 21 560	326 98 81 067
Central and State Government Securities (including treasury bills)	562 92 76 945	469 36 84 792
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	24 54 35 812	9 73 55 268
Non Convertible Debentures classified as NPA	4 45 00 000	2 92 50 000
Less: Provision on Non performing investment	(4 45 00 000)	-
<b>Total</b>	<b>1037 07 12 646</b>	<b>944 91 99 761</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	1 31 38 967
<b>Total</b>	<b>-</b>	<b>1 31 38 967</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	57 151	34 04 039
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	61 43 426	54 34 527
Less: Provision for interest on Non-Performing Investment	( 61 43 426)	( 54 34 527)
Outstanding and accrued income	19 30 80 433	17 65 74 287
Dividend Receivable	2 68 380	3 12 267
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	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)	( 52 50 000)
<b>Total</b>	<b>19 69 15 524</b>	<b>18 60 40 593</b>



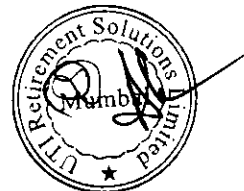
**NATIONAL PENSION SYSTEM TRUST**

**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, 2020**

**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 and custodian is 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.



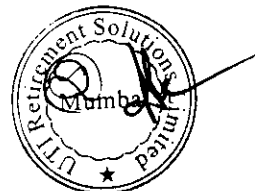
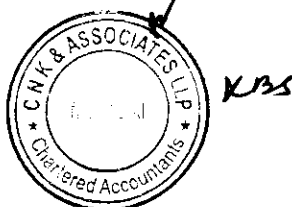
3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.
4. ICRA Analytics Ltd. (ICRA) - ICRA has been designated as valuation service 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 4<sup>th</sup> October, 2010.
3. **Investment pattern to be followed as per PFRDA Regulations:**

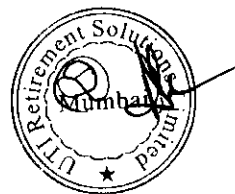
Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

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.

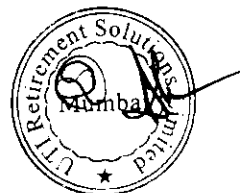


4. **Investments:**
- a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger 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 and stamp charges but exclude brokerage and other transactional charges.
  - f. Investments are reconciled with the custodian records on daily basis.
  - g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> January, 2020 are on the basis of revised methodology. Due to this revision, investments Value are reduced by Rs. 2.23 crores on 31<sup>st</sup> March, 2020.

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 31<sup>st</sup> 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 uniformly 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 1<sup>st</sup> January 2020

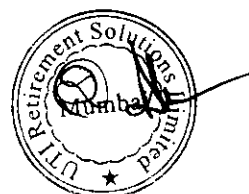
### a) **Valuation of Debt Securities (other than government securities)**

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 $\pm 0.025\%$ , i.e. $\pm 2.5$ 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 which is attached herewith.

**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 433561967.8353 and the balance 1878.1472 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%	₹ 12,38,476	₹ 10,70,852

\* 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 3,49,380	₹ 3,59,958

- 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	%
1,591.99	154.70	1,475.33	143.37	3,012.39	338.54	2,895.71	325.43

- 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, 2020 is ₹ 217.95 Crores. (Previous Year ₹ 175.43 Crores)

- I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 24.3723	₹ 22.8775

- 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	%
119.88	11.65	56.53	5.49	90.77	10.20	13.08	1.47

- 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 31<sup>st</sup> March, 2020 is as under:

Particular	₹ in Crores	
	As on 31st March, 2020****	As on 31st March, 2019
Book Value	5.55	4.99
Provision for NPA	5.55	0.53
Carrying Cost	-	4.46
Market Value***	-	-
% of NPA (Gross) to AUM	0.53	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 31<sup>st</sup> March, 2020 is ₹ 10,14,200 towards uncalled amount of ₹ 461 per shares on 2,200 Partly Paid shares of Tata Steel 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 31<sup>st</sup> March, 2020 is ₹ NIL. (Previous Year ₹ Nil)

P. The investment in Air India Bond has been reclassified as per Government Security as it satisfies the criteria of Government Security as per the Investment Guideline of PFRDA.

Q. 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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 1,472.54	₹ 24.54	₹ 2,874.81	₹ 9.74

R. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq$  5% as on 31<sup>st</sup> March, 2020 is given in Annexure A.



S. The Key Statistics for the Financial Year 2019-20 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 SEP 2020

Place : Mumbai



For UTI Retirement Solutions Ltd.



Bahram P Bhagat  
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

Date : 27/04/2020

Place : Mumbai

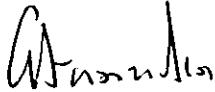


Imtaiyazur Rahman  
Chairman & Director

DIN: 01818725

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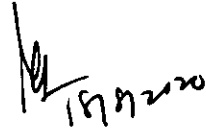
For and on behalf of NPS Trust



Atanu Sen  
(Chairman, NPS Trust Board)

Date : 02/09/2020

Place : Mumbai / KOLKATA



Munish Malik  
(Chief Executive Officer, NPS Trust)

**ANNEXURE A**

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

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	2,31,452	7,49,32,585	0.71	7.27
HDFC BANK LTD.	69,708	6,00,81,325	0.57	5.83
STATE BANK OF INDIA	2,08,780	4,10,98,343	0.39	3.99
KOTAK MAHINDRA BANK LTD.	31,528	4,08,61,864	0.39	3.96
AXIS BANK LTD.	1,05,005	3,97,96,895	0.38	3.86
INDUSIND BANK LTD.	30,070	1,05,63,591	0.10	1.02
BANK OF BARODA	78,155	41,85,200	0.04	0.41
FEDERAL BANK LTD.	45,000	18,47,250	0.02	0.18
IDFC BANK LIMITED	81,204	17,13,404	0.02	0.17
PUNJAB NATIONAL BANK	20,125	6,51,044	0.01	0.06
YES BANK	22,800	5,11,860	0.00	0.05
		<b>27,62,43,361</b>	<b>2.63</b>	<b>26.80</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	98,582	6,32,40,353	0.60	6.13
TATA CONSULTANCY SERVICES LTD.	30,174	5,51,00,741	0.52	5.34
TECH MAHINDRA LTD.	21,199	1,19,88,035	0.11	1.16
		<b>13,03,29,129</b>	<b>1.23</b>	<b>12.63</b>
<b>PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS</b>				
RELIANCE INDUSTRIES LTD.	76,592	8,53,04,340	0.81	8.27
INDIAN OIL CORPORATION LTD.	44,000	35,92,600	0.03	0.35
BHARAT PETROLEUM CORPORATION LTD.	10,000	31,69,000	0.03	0.31
		<b>9,20,65,940</b>	<b>0.87</b>	<b>8.93</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	26,736	4,36,62,562	0.41	4.23
LIC HOUSING FINANCE LTD.	53,800	1,26,59,140	0.12	1.23
		<b>5,63,21,702</b>	<b>0.53</b>	<b>5.46</b>
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	3,21,309	5,51,68,755	0.52	5.35
		<b>5,51,68,755</b>	<b>0.52</b>	<b>5.35</b>





Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	33,10,000	34,96,81,209	3.31	9.96
EXPORT IMPORT BANK OF INDIA	19,70,000	21,42,10,457	2.03	6.10
		<b>56,38,91,666</b>	<b>5.34</b>	<b>16.06</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	25,10,000	25,98,08,157	2.46	7.40
POWER FINANCE CORPORATION LTD.	21,60,000	22,33,99,350	2.11	6.37
		<b>48,32,07,507</b>	<b>4.57</b>	<b>13.77</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	24,10,000	25,08,24,174	2.37	7.15
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	14,60,000	15,32,66,435	1.45	4.37
PNB HOUSING FINANCE LIMITED	2,50,000	2,46,23,400	0.23	0.70
		<b>42,87,14,009</b>	<b>4.05</b>	<b>12.22</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	11,20,000	11,80,39,916	1.12	3.36
AXIS BANK LTD.	10,70,000	11,16,04,189	1.06	3.18
IDFC BANK LIMITED	4,70,000	4,63,48,339	0.44	1.32
HDFC BANK LTD.	3,30,000	3,43,94,382	0.33	0.98
PUNJAB NATIONAL BANK	80,000	81,79,704	0.08	0.23
		<b>31,85,66,530</b>	<b>3.03</b>	<b>9.07</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	25,60,000	27,31,74,467	2.59	7.78
		<b>27,31,74,467</b>	<b>2.59</b>	<b>7.78</b>
<b>PASSENGER RAIL TRANSPORT</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	19,00,000	19,96,35,260	1.89	5.69
		<b>19,96,35,260</b>	<b>1.89</b>	<b>5.69</b>
<b>ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS</b>				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	16,70,000	18,17,72,384	1.72	5.18
		<b>18,17,72,384</b>	<b>1.72</b>	<b>5.18</b>



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, 2020	As at March 31, 2019
1	<b>NAV Per Unit (Rs.)*</b>		
	Open	22.9005	21.0120
	High	25.1982	22.8775
	Low	22.7276	20.7585
	End	24.3723	22.8775
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	1,05,669.70	96,468.37
	Average (AAUM)	1,02,905.63	88,981.50
3	<b>Gross income as % of AAUM</b>	11.65%	10.20%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0194%	0.0202%
b	Management Fee as % of AAUM	0.0120%	0.0120%
5	<b>Net Income as a percentage of AAUM</b>	6.16%	8.73%
6	<b>Portfolio turnover ratio</b>	3.53%	1.92%
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	6.53%	8.90%
	Last 3 Years	7.23%	9.55%
	Last 5 Years	8.19%	10.63%
	Since Launch of the scheme (October 04, 2010)	9.84%	10.23%
<b>Remarks / Formula / Method of Calculation</b>			
* Declared NAV; Returns calculated based on declared NAV			
1	NAV = (Market value of scheme investments + current assets - current liability and provisions, if any)		
1a	Closing NAV as on 1st April of the Current F Y		
1b	Highest NAV during the F Y		
1c	Lowest NAV during the F Y		
1d	Closing NAV as on 31st March of the Current F Y		
2b	AAUM = (Aggregate of the daily AUM in the relevant F Y) / ( no. of calendar days in the relevant F		
3	Gross Income = Total Income as per Revenue Account		
4a	Total Expenses = Total Expenses as per Revenue Account		
4b	Investment Management fees (Including applicable Taxes) as per Revenue Account		
5	Net Income = Surplus / Deficit as per Revenue Account		
6	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM.		
7	CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)		





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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

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

**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, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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.6,46,73,693.37 is lying with Trustee Bank as on 31st March 2020 (Previous Year: Rs. 55,24,364.34) 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.

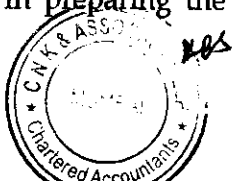
Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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**

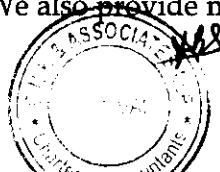
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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**

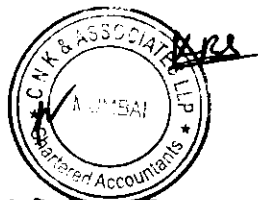
**Membership No.: 100052**

**UDIN: 20100052AAAA F86590**

**Place: Mumbai**

**Date:**

**14 SEP 2020**



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	2285 76 02 995	1608 89 38 457
Reserves and Surplus	2	1168 10 13 615	655 56 13 407
Current Liabilities and Provisions	3	52 34 570	1 85 14 709
<b>Total</b>		<b>3454 38 51 180</b>	<b>2266 30 66 573</b>
<b>Assets</b>			
Investments	4	3389 90 17 413	2219 34 94 145
Deposits	5	-	3 60 05 929
Other Current Assets	6	64 48 33 767	43 35 66 499
<b>Total</b>		<b>3454 38 51 180</b>	<b>2266 30 66 573</b>
(a) Net assets as per Balance Sheets		3453 86 16 610	2264 45 51 864
(b) Number of units outstanding		228 57 60 299	160 88 93 846
Significant Accounting Policies and Notes to Accounts	7		

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

For CNK & Associates LLP (FRN 101961W/W-100036)  
Chartered Accountants

Hiren Shah  
Partner  
Membership No.: 100052



Date: 17/4/2020  
Place: Mumbai

For UTI Retirement Solutions Ltd.

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



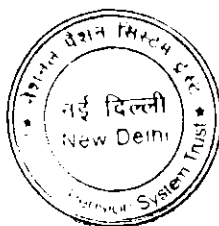
Iqbalayazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai / KOLKATA



Munish Malik  
(Chief Executive Officer, NPS Trust)



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
Dividend		5 08 72 370	2 81 41 836
Interest		182 79 79 230	110 18 44 737
Profit on sale/redemption of investments		5 97 84 098	4 48 20 154
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		139 30 37 725	68 83 03 352
Other income			
- Miscellaneous Income		567	2 248
<b>Total Income (A)</b>		<b>333 16 73 990</b>	<b>186 31 12 327</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		138 96 44 648	19 33 51 741
Loss on sale/redemption of investments		2 06 15 803	60 23 517
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including GST)		34 85 570	20 49 994
NPS Trust fees		10 35 833	6 59 292
Custodian fees (including GST)		8 46 748	6 20 534
Depository and settlement charges (including GST)		3 97 506	1 62 561
CRA Fees		19 83 08 117	12 74 53 533
Less: Amount recoverable on sale of units on account of CRA Charges		(19 83 08 117)	(12 74 53 533)
Provision for Non-Performing Assets		9 05 00 000	-
Other Expenses		9 847	-
<b>Total Expenditure (B)</b>		<b>150 65 35 955</b>	<b>20 28 67 639</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>182 51 38 035</b>	<b>166 02 44 688</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 33 93 077)	(48 81 70 046)
Less: Amount transferred (to) / from General Reserve		(182 17 44 958)	(117 20 74 642)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

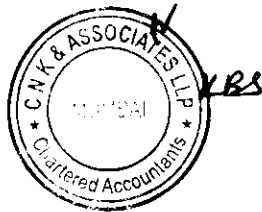
Significant Accounting Policies and Notes to Accounts

7

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

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

Hiren Shah  
Partner  
Membership No.: 100052



14 SEP 2020

Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.

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



Antaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLKATA



Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	1608 89 38 457	975 70 46 517
Add :Units issued during the year	756 95 13 482	681 38 29 477
Less: Units redeemed during the year	(80 08 48 944)	(48 19 37 537)
<b>Outstanding at the end of the year</b>	<b>2285 76 02 995</b>	<b>1608 89 38 457</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	160 88 93 846	97 57 04 652
Add :Units issued during the year	75 69 51 348	68 13 82 948
Less: Units redeemed during the year	(8 00 84 895)	(4 81 93 754)
<b>Outstanding units at the end of the year</b>	<b>228 57 60 299</b>	<b>160 88 93 846</b>
<b>Schedule 2</b>		
	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	398 38 58 405	193 07 58 083
Add: Premium on Units issued	369 18 08 728	221 04 21 469
Less: Premium on Units redeemed	(39 15 46 555)	(15 73 21 147)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>728 41 20 578</b>	<b>398 38 58 405</b>
<b>General Reserve</b>		
Opening Balance	208 35 84 956	91 15 10 314
Add: Transfer from Revenue Account	182 17 44 958	117 20 74 642
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>390 53 29 914</b>	<b>208 35 84 956</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	48 81 70 046	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	33 93 077	48 81 70 046
<b>Closing Balance</b>	<b>49 15 63 123</b>	<b>48 81 70 046</b>
<b>Total</b>	<b>1168 10 13 615</b>	<b>655 56 13 407</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	15 03 914	9 13 846
Book Overdraft	-	-
Redemption Payable	36 90 352	73 15 318
TDS Payable	40 304	26 264
Contracts for purchase of investments	-	1 02 59 281
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>52 34 570</b>	<b>1 85 14 709</b>



**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, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	328 25 78 223	311 23 69 684
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	1148 74 92 214	788 50 21 784
Central and State Government Securities (including treasury bills)	1841 73 02 298	1096 82 03 178
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	71 16 44 678	19 78 99 499
Non Convertible Debentures classified as NPA	9 05 00 000	3 00 00 000
Less: Provision on Non performing investment	(9 05 00 000)	-
<b>Total</b>	<b>3389 90 17 413</b>	<b>2219 34 94 145</b>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	3 60 05 929
<b>Total</b>	<b>-</b>	<b>3 60 05 929</b>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	1 53 451	2 53 76 592
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	93 80 316	43 13 151
Less: Provision for interest on Non-Performing Investment	( 93 80 316)	( 43 13 151)
Outstanding and accrued income	62 78 91 245	40 73 58 752
Dividend Receivable	7 45 696	3 18 191
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	1 60 43 375	5 12 964
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>64 48 33 767</b>	<b>43 35 66 499</b>



## 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, 2020

#### 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 and custodian is 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.



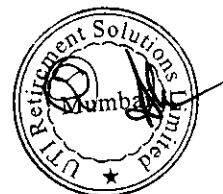
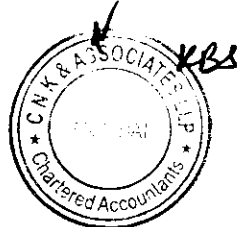
3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlement of trades. SHCIL also informs/updates about the Corporate Actions.
4. ICRA Analytics Ltd. (ICRA) - ICRA has been designated as valuation service 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 4<sup>th</sup> 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 and stamp charges but exclude brokerage and other transactional charges.
  - f. Investments are reconciled with the custodian records on daily basis.
  - g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> January, 2020 are on the basis of revised methodology. Due to this revision, investments Value are reduced by Rs. 5.48 crores on 31<sup>st</sup> March, 2020.

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.

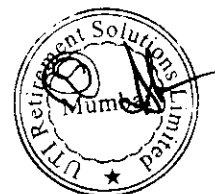


- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
  - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
  - b. **Non-traded:** Right entitlement is valued at the 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 31<sup>st</sup> 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 uniformly 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 1<sup>st</sup> 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 $\pm 0.025\%$ , i.e. $\pm 2.5$ 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.

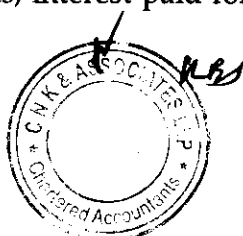
Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- 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 which is attached herewith.

**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.

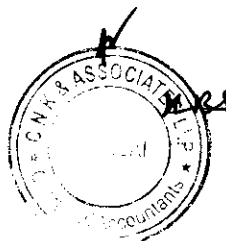
Based on the confirmation from CRA the number of units as at the year end are 2285742965.1654 and the balance 17334.2179 have been identified as residual units with CRA.

**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%	₹ 34,85,570	₹ 20,49,994

\* 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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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%	₹ 10,35,833	₹ 6,59,292

- 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	%
8,158.72	281.46	6,969.94	240.45	10,244.52	600.67	9,309.94	545.87

- 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, 2020 is ₹ 422.78 Crores. (Previous Year ₹ 288.31 Crores)

- I. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 15.1103	₹ 14.0746

- 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	%
333.17	11.49	150.65	5.20	186.31	10.92	20.29	1.19

- 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 31<sup>st</sup> March, 2020 is as under:

₹ in Crores

Particular	As on 31st March, 2020****	As on 31st March, 2019
Book Value	9.05	3.99
Provision for NPA	9.05	-
Carrying Cost	-	3.99
Market Value***	-	-
% of NPA (Gross) to AUM	0.26	0.18

\*\*\* 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 31<sup>st</sup> March, 2020 is ₹ 16,13,500 towards uncalled amount of ₹ 461 per shares on 3,500 Partly Paid shares of Tata Steel 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 31<sup>st</sup> March, 2020 is ₹ NIL. (Previous Year ₹ 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	₹ 6,993.49	₹ 71.16	₹ 9,262.99	₹ 19.79



- Q. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq$  5% as on 31<sup>st</sup> March, 2020 is given in Annexure A.
- R. The Key Statistics for the Financial Year 2019-20 as compared to the Previous Year is attached as per Annexure B.
- S. 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



For UTI Retirement Solutions Ltd.



Balram P Bhagat

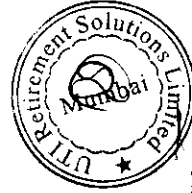
Chief Executive Officer

& Whole Time Director

DIN : 01846261

Date : 27/04/2020

Place : Mumbai




Intaiyazur Rahman

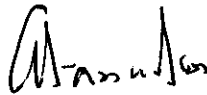
Chairman & Director

DIN: 01818725

Date : 17 4 SEP 2020  
Place : Mumbai

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For and on behalf of NPS Trust

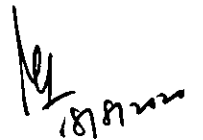


Atanu Sen

(Chairman, NPS Trust Board)

Date : 02/09/2020

Place : Mumbai / KOLKATA



Munish Malik

(Chief Executive Officer, NPS Trust)



**ANNEXURE A**

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

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	5,98,498	19,37,63,728	0.56	5.90
HDFC BANK LTD.	2,24,698	19,36,67,206	0.56	5.90
KOTAK MAHINDRA BANK LTD.	1,32,041	17,11,31,738	0.50	5.21
AXIS BANK LTD.	3,29,450	12,48,61,550	0.36	3.80
STATE BANK OF INDIA	5,96,523	11,74,25,553	0.34	3.58
INDUSIND BANK LTD.	1,01,911	3,58,01,334	0.10	1.09
BANK OF BARODA	1,50,182	80,42,246	0.02	0.24
YES BANK	93,913	21,08,347	0.01	0.06
IDFC BANK LIMITED	14,780	3,11,858	0.00	0.01
PUNJAB NATIONAL BANK	144	4,658	0.00	0.00
		<b>84,71,18,218</b>	<b>2.45</b>	<b>25.79</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	3,17,860	20,39,07,190	0.59	6.21
TATA CONSULTANCY SERVICES LTD.	87,132	15,91,11,745	0.46	4.85
TECH MAHINDRA LTD.	78,392	4,43,30,676	0.13	1.35
HCL TECHNOLOGIES LIMITED	8,152	35,57,533	0.01	0.11
		<b>41,09,07,144</b>	<b>1.19</b>	<b>12.52</b>
<b>PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS</b>				
RELIANCE INDUSTRIES LTD.	2,22,002	24,72,54,728	0.72	7.53
BHARAT PETROLEUM CORPORATION LTD.	80,000	2,53,52,000	0.07	0.77
INDIAN OIL CORPORATION LTD.	1,45,600	1,18,88,240	0.03	0.36
CASTROL INDIA LTD.	62,400	62,05,680	0.02	0.19
		<b>29,07,00,648</b>	<b>0.84</b>	<b>8.85</b>
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
LUPIN LTD.	71,179	4,19,70,697	0.12	1.28
CIPLA LTD.	96,638	4,08,63,378	0.12	1.24
CADILA HEALTHCARE LTD.	1,17,500	3,14,01,875	0.09	0.96
DR. REDDYS LABORATORIES LTD.	9,874	3,08,14,286	0.09	0.94
DIVIS LABORATORIES LTD.	11,749	2,33,69,348	0.07	0.71
SUN PHARMACEUTICAL INDUSTRIES LTD.	65,585	2,31,05,596	0.07	0.70
		<b>19,15,25,180</b>	<b>0.56</b>	<b>5.83</b>





Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	1,06,40,000	1,09,53,14,049	3.17	9.46
HOUSING AND URBAN DEVELOPMENT CORPORATION	83,80,000	89,55,77,903	2.59	7.74
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	65,00,000	67,81,69,919	1.96	5.86
PNB HOUSING FINANCE LIMITED	2,50,000	2,46,23,400	0.07	0.21
		<b>2,69,36,85,271</b>	<b>7.79</b>	<b>23.27</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	1,08,70,000	1,14,55,53,085	3.32	9.89
EXPORT IMPORT BANK OF INDIA	19,80,000	21,16,13,004	0.61	1.83
		<b>1,35,71,66,089</b>	<b>3.93</b>	<b>11.72</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	86,70,000	90,60,89,817	2.62	7.83
ICICI BANK LTD.	19,20,000	19,79,49,695	0.57	1.71
HDFC BANK LTD.	14,30,000	14,90,42,322	0.43	1.29
IDFC BANK LIMITED	3,20,000	3,14,45,839	0.09	0.27
YES BANK	2,00,000	1,00,00,000	0.03	0.09
KOTAK MAHINDRA BANK LTD.	10,000	10,34,878	0.00	0.01
		<b>1,29,55,62,551</b>	<b>3.74</b>	<b>11.20</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	62,00,000	63,27,97,031	1.83	5.47
POWER FINANCE CORPORATION LTD.	56,90,000	58,50,79,831	1.69	5.05
		<b>1,21,78,76,862</b>	<b>3.52</b>	<b>10.52</b>
<b>PASSENGER RAIL TRANSPORT</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	1,07,10,000	1,12,62,61,539	3.26	9.73
		<b>1,12,62,61,539</b>	<b>3.26</b>	<b>9.73</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	1,05,40,000	1,09,92,05,174	3.18	9.49
		<b>1,09,92,05,174</b>	<b>3.18</b>	<b>9.49</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	61,00,000	64,83,78,964	1.88	5.60
		<b>64,83,78,964</b>	<b>1.88</b>	<b>5.60</b>



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, 2020	As at March 31, 2019
1	<b>NAV Per Unit (Rs.)*</b>		
	Open	14.0874	12.9153
	High	15.5950	14.0746
	Low	13.9714	12.7418
	End	15.1103	14.0746
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	3,45,386.17	2,26,445.52
	Average (AAUM)	2,89,870.48	1,70,551.58
3	<b>Gross income as % of AAUM</b>	11.49%	10.92%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0199%	0.0204%
b	Management Fee as % of AAUM	0.0120%	0.0120%
5	<b>Net Income as a percentage of AAUM</b>	6.30%	9.73%
6	<b>Portfolio turnover ratio</b>	1.04%	2.03%
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	7.36%	9.00%
	Last 3 Years	7.34%	9.59%
	Last 5 Years	NA	NA
	Since Launch of the scheme (June 04, 2015)	8.93%	9.35%
<b>Remarks / Formula / Method of Calculation</b>			
* Declared NAV; Returns calculated based on declared NAV			
1	NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)		
1a	Closing NAV as on 1st April of the Current F Y		
1b	Highest NAV during the F Y		
1c	Lowest NAV during the F Y		
1d	Closing NAV as on 31st March of the Current F Y		
2b	AAUM = (Aggregate of the daily AUM in the relevant F Y) / ( no. of calendar days in the relevant F Y)		
3	Gross Income = Total Income as per Revenue Account		
4a	Total Expenses = Total Expenses as per Revenue Account		
4b	Investment Management fees (Including applicable Taxes) as per Revenue Account		
5	Net Income = Surplus / Deficit as per Revenue Account		
6	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	CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)		





## **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, 2020
- Revenue Accounts for the Financial Year ended 31st March, 2020
- Accounting Policies and Notes to Accounts

#### **Registered Office:**

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

**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, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 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, 2020;
- 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. 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

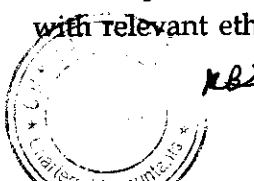
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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: 20100052AAAAFB6590



Place: Mumbai

Date: 14 SEP 2020

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**BALANCE SHEET AS AT MARCH 31, 2020**

Particulars	Schedules	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Liabilities</b>			
Unit Capital	1	-	-
Reserves and Surplus	2	-	-
Current Liabilities and Provisions	3	-	-
<b>Total</b>		-	-
<b>Assets</b>			
Investments	4	-	-
Deposits	5	-	-
Other Current Assets	6	-	-
<b>Total</b>		-	-
(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

  
Hireen Shah  
Partner  
Membership No.: 100052



For UTI Retirement Solutions Ltd.

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

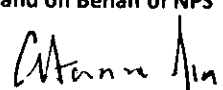


  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 17 SEP 2020  
Place: Mumbai

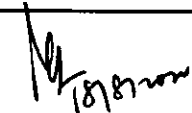
Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

  
Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai KOLKATA



  
Munish Malik  
(Chief Executive Officer, NPS Trust)



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020**


Particulars	Schedules	Year ended March 31, 2020 ₹	Year ended March 31, 2019 ₹
<b>Income</b>			
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		-	-
<b>Total Income (A)</b>		<b>-</b>	<b>-</b>
<b>Expenses and Losses</b>			
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)		-	-
CRA Fees		-	-
Less: Amount recoverable on sale of units on account of CRA Charges		-	-
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>-</b>	<b>-</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		-	-
Less: Amount transferred (to) / from General Reserve		-	-
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

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

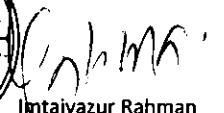


Date: 14 SEP 2020  
Place: Mumbai

For UTI Retirement Solutions Ltd.

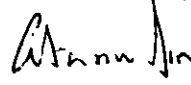
  
Bakram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261



  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 27/04/2020  
Place: Mumbai

For and on Behalf of NPS Trust

  
Atanu Sen  
(Chairman, NPS Trust Board)

Date: 02/09/2020  
Place: Mumbai



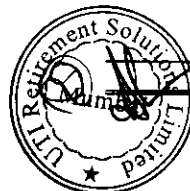
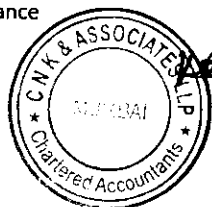
  
Munish Malik  
(Chief Executive Officer, NPS Trust)

**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, 2020**

Schedule 1	No.	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year		-	-
Add :Units issued during the year		-	-
Less: Units redeemed during the year		-	-
<b>Outstanding at the end of the year</b>		<b>-</b>	<b>-</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year		-	-
Add :Units issued during the year		-	-
Less: Units redeemed during the year		-	-
<b>Outstanding units at the end of the year</b>		<b>-</b>	<b>-</b>

Schedule 2	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	-	-
Add: Premium on Units issued	-	-
Less: Premium on Units redeemed	-	-
Add: Transfer from General Reserve	-	-
Closing Balance	<b>-</b>	<b>-</b>
<b>General Reserve</b>		
Opening Balance	-	-
Add: Transfer from Revenue Account	-	-
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>-</b>	<b>-</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	-	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	-	-
Closing Balance	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>

Schedule 3	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
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	-	-



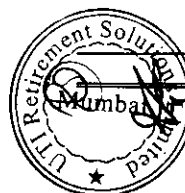
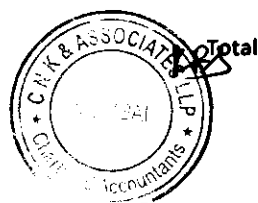
Total

**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, 2020**

Schedule 4	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Investments (Long Term and Short Term)</b>		
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	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

Schedule 5	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

Schedule 6	As at March 31, 2020 ₹	As at March 31, 2019 ₹
<b>Other Current Assets</b>		
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	-	-
<b>Total</b>	<u>-</u>	<u>-</u>



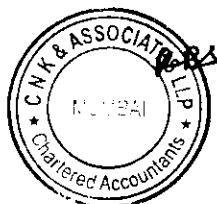
## NATIONAL PENSION SYSTEM TRUST

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, 2020

#### 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 and custodian is 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 Stock Holding Corporation of India Ltd. (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 Analytics Ltd. (ICRA) - 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 5<sup>th</sup> 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.

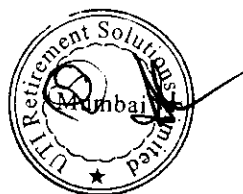


4. **Investments:**
- a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger 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 and stamp charges but exclude brokerage and other transactional charges.
  - f. Investments are reconciled with the custodian records on daily basis.
  - g. As per Investment Management Agreement dated 24th July, 2015, 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 is amended w.e.f 01<sup>st</sup> January, 2020 by PFRDA. Accordingly, prices sent by ICRA from 01<sup>st</sup> 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 31<sup>st</sup> 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 uniformly 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.

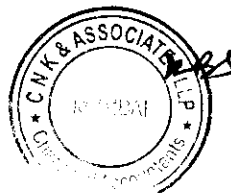




- ix. Perpetual bond with single/multiple call options are valued at lowest price on each option date.
  - x. Money market instruments like commercial paper and certificate of deposit with residual maturity of up to 60 days, valued at the weighted average price at which they are traded on the particular 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 1<sup>st</sup> 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  $\pm 0.025\%$ , i.e.  $\pm 2.5$  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:

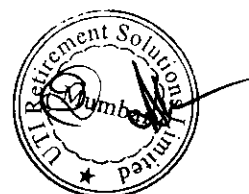
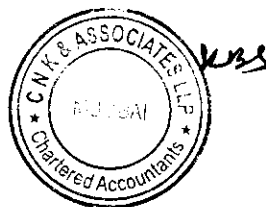
All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

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.

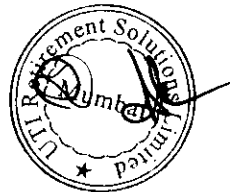
D. **Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

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 25<sup>th</sup> January, 2019 and resumed on 1<sup>st</sup> 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, 2020 is ₹ NIL. (Previous Year ₹ NIL)

- H. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2020	As on 31st March, 2019
₹ 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

- J. **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.

- K. **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.



L. 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)

M. The Key Statistics for the Financial Year 2019-20 as compared to the Previous Year is attached as per Annexure A.

For C N K & Associates LLP

For UTI Retirement Solutions Ltd.

Chartered Accountants

FRN : 101961W/W-100036



Hiren Shah

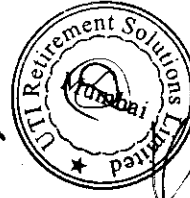
Partner

M. No. - 100052

Date :

114 SEP 2020

Place : Mumbai



Balram P Bhagat

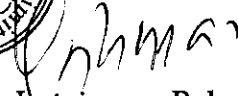
Chief Executive Officer

& Whole Time Director

DIN : 01846261

Date : 27/04/2020

Place : Mumbai




Intaiyazur Rahman

Chairman & Director

DIN: 01818725

For and on behalf of NPS Trust



Atanu Sen

(Chairman, NPS Trust Board)

Date: 02.09-2020

Place: ~~Mumbai~~ KOLKATA



Munish Malik

(Chief Executive Officer, NPS Trust)



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, 2020	As at March 31, 2019
1	<b>NAV Per Unit (Rs.)*</b>		
	Open	NA	NA
	High	NA	NA
	Low	NA	NA
	End	NA	NA
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	0.00	0.00
	Average (AAUM)	0.00	0.00
3	<b>Gross income as % of AAUM</b>	-	-
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	-	-
b	Management Fee as % of AAUM	-	-
5	<b>Net Income as a percentage of AAUM</b>	-	-
6	<b>Portfolio turnover ratio</b>	-	-
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	NA	NA
	Last 3 Years	NA	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme (November 05, 2012)	NA	NA
<b>Remarks / Formula / Method of Calculation</b>			
* Declared NAV; Returns calculated based on declared NAV			
1	NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)		
1a	Closing NAV as on 1st April of the Current F Y		
1b	Highest NAV during the F Y		
1c	Lowest NAV during the F Y		
1d	Closing NAV as on 31st March of the Current F Y		
2b	AAUM = (Aggregate of the daily AUM in the relevant F Y) / ( no. of calendar days in the relevant F Y)		
3	Gross Income = Total Income as per Revenue Account		
4a	Total Expenses = Total Expenses as per Revenue Account		
4b	Investment Management fees (Including applicable Taxes) as per Revenue Account		
5	Net Income = Surplus / Deficit as per Revenue Account		
6	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	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)		

