



# **Annual Report of NPS Schemes**

**Managed by**

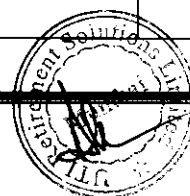
**UTI Retirement Solutions Limited**

**For the Financial Year 2018 – 19**

**Registered Office:**

UTI Towers 'Gn' – Block  
Bandra – Kurla Complex  
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Mumbai – 400051  
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<b>Index</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Page no.</b>
<b>A.</b>	<b>Annual Report of NPS Schemes managed by UTI Retirement Solutions Limited for the FY 2018 – 19</b>	
1.	Introduction	2 – 3
2	Operation and future outlook	4
3	Market Outlook for FY 2019 – 20	5 – 7
4	Liabilities and responsibility of Pension Fund Manager (PF)	7 – 9
5	Investment Objectives of NPS Schemes	9 – 11
6	Basis and Policy of Investment	11
7	Declaration	12
8	Fund Facts & Performance	13 – 17
9	Key Statistics	17
10	Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018–19 and Auditors Certificate thereon	18
11	Extracts of the minutes of Board meeting	19 – 20
<b>A.</b>	<b>Financial Statements of NPS Schemes and Auditors' Report thereon for the Financial Year 2018 – 19:-</b>	
i.	Combined Annual Audited Financial Statements of Accounts of all NPS Schemes as at 31st March, 2019	21 – 35
ii.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I	36 – 53
iii.	NPS Trust – A/C UTI Retirement Solutions Scheme E – Tier II	54 – 71
iv.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I	72 – 92
v.	NPS Trust – A/C UTI Retirement Solutions Scheme C – Tier II	93 – 113
vi.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I	114 – 130
vii.	NPS Trust – A/C UTI Retirement Solutions Scheme G – Tier II	131 – 147
viii.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I	148 – 164
ix.	NPS Trust – A/C UTI Retirement Solutions Scheme A – Tier II	165 – 181
x.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Central Govt.	182 – 201
xi.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – State Govt.	202 – 221
xii.	NPS Trust – A/C UTI Retirement Solutions NPS Lite Scheme – Govt. Pattern	222 – 241
xiii.	NPS Trust – A/C UTI Retirement Solutions Scheme – Atal Pension Yojana (APY)	242 – 262
xiv.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Corporate CG	263 – 278



## 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 new Asset Class A will invest in alternative investment funds viz. 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.

NPS offers 2 investment choices - 'Active Choice' and 'Auto Choice'.

The Active Choice offers flexibility to subscribers to decide the asset allocation between the 4 asset classes E, C, G & A. The maximum exposure to Equity is restricted to 75% and maximum exposure to Asset Class 'A' is restricted to 5% whereas in Corporate Bonds and Govt. Securities one can invest upto 100%. Active Choice is appropriate for the subscribers who are well versed with the market and who have the ability to take informed decisions. The subscribers have the freedom to change the asset allocation twice in a financial year.



In the Auto Choice; the asset allocation is linked to the age of the investor and changes over the life span in a pre- determined manner. That is why it is also referred to as Life Cycle Fund. Under this choice, investors have 3 options: -

- i) Aggressive Life Cycle Fund (with Equity upto 75%)
- ii) Moderate Life Cycle Fund (with Equity upto 50%)
- iii) Conservative Life Cycle Fund (with Equity upto 25%)

The 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).

Upto 31<sup>st</sup> March 2019, for the Govt. Employees (both Central & State Govt.), NPS Lite Scheme – Govt. Pattern, Atal Pension Yojana (APY) and Scheme Corporate CG, the prescribed asset allocation has been maximum 15% in Equities and minimum 85% in Debt (Govt. Securities & Corporate Bonds).

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, 2019 the company was managing following 13 schemes:

Sr. No.	Name of Scheme	AUM (₹ in Crore)	
		As on 31/03/2019	As on 31/03/2018
1.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I	378.21	225.40
2.	NPS Trust–A/C UTI Retirement Solutions Scheme E – Tier II	23.31	15.33
3.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I	216.34	139.80
4.	NPS Trust–A/C UTI Retirement Solutions Scheme C – Tier II	12.91	9.87
5.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I	329.66	209.06
6.	NPS Trust–A/C UTI Retirement Solutions Scheme G – Tier II	16.84	11.81
7.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I*	1.14	0.38
8.	NPS Trust–A/C UTI Retirement Solutions Scheme A–Tier II <sup>#</sup>	0.00	0.00
9.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Central Govt.	36,561.28	28,352.47
10.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – State Govt.	52,938.99	38,411.37
11.	NPS Trust – A/C UTI Retirement Solutions Ltd. – NPS Lite Scheme –Govt. Pattern	964.68	847.85
12.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme –Corporate CG	0.00	0.00
13.	NPS Trust – A/C UTI Retirement Solutions Scheme – Atal Pension Yojana	2,264.46	1,259.93
	<b>Total</b>	<b>93,707.82</b>	<b>69,483.27</b>
* The scheme started its operation w.e.f. 14 <sup>th</sup> October, 2016			
<sup>#</sup> The scheme started its operation w.e.f. 20 <sup>th</sup> October, 2016 and became inoperative w.e.f. 16 <sup>th</sup> June, 2017 as per the instruction of NPS Trust			

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 2019 – 20

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

Fiscal 2019 was a volatile year for equities, during the year large-caps gave above-par returns at 14.9% (Nifty 50) as compared to Nifty midcap 100 and Nifty small-cap 100 Indices which fell by 2.7% and 14.4% respectively. Equities outperformed other asset-classes in the financial year 2019, wherein MCX gold rose 3.2% and CRISIL Bond Index rose 6.74%.

Positive performance in FY19 saw in the face of multiple challenges faced by the Indian economy and markets. During the year saw disruption in NBFC and Housing finance companies (HFC) created tighter money market conditions. Further, fears of slowing global growth, Trade wars and disorderly Brexit are some of the factors which kept market volatile. However, expectations of higher earnings from a lower base, dovish stance by US FED and expectations of rate cuts by India's Monetary Policy Committee (MPC) has led to a rally in Indian equities towards the end of FY19.

On the economic front, India started on a high note with Q1FY19 real GDP growth, at an 8-quarter high of 8.2%. However, growth decelerated significantly in Q2 and Q3 as real GDP growth fell to 7.1% and 6.6% respectively. Headline inflation too fell consistently – while it averaged 4.8% in Q1FY19, by Jan'19 it fell to 2.05%, which may have influenced the MPC to lower its inflation trajectory in FY19. MPC in its Feb'19 review cut repo rate by 25 bps and changed the stance of monetary policy to 'neutral' from 'calibrated tightening'.

Other key highlights of Financial Year 2018 were:



➤ FY19 institutional flow; while Foreign Portfolio Investors were net sellers across most of FY19, but thanks to heavy buying in Feb-Mar'19, we have registered net flows of US\$380mn for FY19. Domestic institutional investors (DIIs) were consistent net buyers with total flows at US\$10.25bn for FY19. Mutual funds remained net buyers despite slowing but positive flows for equity mutual funds, even as SIP flows remained robust. In FY19, they remained net buyers of equity with an inflow of close to \$12.7bn. Systematic Investment Plan (SIP) portion of mutual fund inflows clocked a run-rate of US\$1.1bn per month.

➤ Various sector indices like Nifty Banks (25.4%), Nifty IT (24.9%) and Nifty Energy (24.7%) outperformed Nifty 50 Index while Nifty Media (-24%), Nifty Auto (-23%) and Nifty Metals (-13.3%) underperformed the Nifty 50 (14.9%).

➤ FY19 witnessed a sharp drop in primary market activity in terms of both number of transactions and capital raised as the number of Initial Public Offerings ('Mainboard IPOs') dropped to 14 as against 45 in the last fiscal with fund raising dropping to Rs 147 billion from Rs 816 billion in the last fiscal.

### Market Outlook

Concerns over slowing growth momentum have seen the CSO as well as the RBI cut their GDP growth forecast for FY20. However, some of the major disruptions which have impacted earnings growth in recent times such as the NPA recognition cycle, problems caused by major policies like demonetization and GST implementation may be behind us. This should set a low base which should support a renewal in the earning cycle. Nifty 50 earnings is estimated to grow at 24% CAGR for next two years over the base of FY19e (Bloomberg estimates). On the current estimates, the Nifty 50 is trading at 18.1x one year forward earnings, which is at a 20% premium to long term (13year) averages. Given this premium the forecast earning revival is a very essential and critical condition for the equity markets to do well.



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

FY19 remained one of the most tumultuous years for the Fixed Income market. The market played havoc with the crude oil volatility and other global developments impacting domestic inflation, fiscal balances, external balances and growth adversely. The 10 year yield witnessed a sharp uptick tracking aggressive Fed hikes in 2018, sharp currency depreciation and 2 domestic rate hikes in H1FY19. Some retracement in the sell-off was exhibited basis reversal in oil prices, currency and Fed outlook in calendar year 2019 leading to a rate cut by RBI in Feb'19. Fiscal slippage announced in the Union Budget for FY19 and FY20 sets the stage for the fixed income market outlook for FY20 amidst the election backdrop.

The Indian economy in FY20 stares at an eventful year commencing with the Lok Sabha elections in Q1FY20. The expansionary fiscal stance and policies promised ahead of the elections, if implemented, will likely get reflected in most macroeconomic variables with a lag. H1 benign inflation trajectory will support lower interest rates vis-à-vis FY19. The global growth slowdown would also remain supportive of lower interest rates and reduced pressure on the INR. However, the market will remain saddled with demand supply pressures. The Budget announced a G-Sec borrowing of Rs 7,10,000 Cr for FY20. In addition, the state borrowing would remain elevated adding to supply woes. Some respite may come in from foreign investor support amidst lower global yields and improved prospects for INR. The extent of support from Open Market Operations (OMO) purchases would remain imperative for supply absorption.

**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 crore as on the date of investment and on which derivatives are available; b) Units of Mutual funds regulated by the SEBI, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE; c) ETFs / Index Funds regulated by the SEBI that replicate the portfolio of either BSE Index 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 A – Tier II	

9.	Scheme Central Govt.	To optimize returns by investing in the instruments as per the following prescribed limits:	
10.	Scheme State Govt.	<b>Instrument</b>	<b>Limit</b>
		Govt. Securities	Upto 50%
11.	NPS Lite Scheme – Govt. Pattern	Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.	Upto 45%
12.	Scheme Corporate CG	Short Term Debt Instruments and related investments	Upto 5%
13.	Scheme Atal Pension Yojana	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, 2019 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	91.08%	94.21%	95.16%	92.68%	92.57%	97.62%
AA+	4.97%	2.61%	2.12%	4.96%	4.08%	1.27%
AA	1.80%	1.54%	1.19%	1.21%	1.50%	0.24%
AA-	0.81%	0.39%			0.84%	
Below AA-	1.34%	1.25%	1.53%	1.15%	1.01%	0.87%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**7. 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).



8. Fund Facts & Performancea) Scheme E – Tier I:-

Date of Inception	May 21, 2009	
Fund size as on 31/03/2019	₹ 378.21 Crore	
NAV per unit as on 31/03/2019	₹30.0412	
<b>Performance as on 31/03/2019: -</b>		
<b>Period</b>	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (Nifty 100)</b>
Last 1 year	12.93%	13.96%
Last 3 years	15.56%	15.58%
Last 5 years	13.28%	12.88%
Since inception	11.79%	11.76%

b) Scheme E – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2019	₹ 23.31 Crore	
NAV per unit as on 31/03/2019	₹24.4907	
<b>Performance as on 31/03/2019: -</b>		
<b>Period</b>	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (Nifty 100)</b>
Last 1 year	13.52%	13.96%
Last 3 years	15.48%	15.58%
Last 5 years	13.50%	12.88%
Since inception	10.11%	9.91%

c) Scheme C – Tier I:-

Date of Inception	<b>May 21, 2009</b>	
Fund size as on 31/03/2019	₹ 216.34 Crore	
NAV per unit as on 31/03/2019	₹24.0223	
<b>Performance as on 31/03/2019: -</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	7.30%	7.36%
Last 3 years	8.40%	8.30%
Last 5 years	9.77%	10.11%
Since inception	9.29%	8.88%

d) Scheme C – Tier II:-

Date of Inception	<b>December 14, 2009</b>	
Fund size as on 31/03/2019	₹ 12.91 Crore	
NAV per unit as on 31/03/2019	₹22.9910	
<b>Performance as on 31/03/2019: -</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	7.40%	7.36%
Last 3 years	8.36%	8.30%
Last 5 years	9.74%	10.11%
Since inception	9.37%	8.98%



e) Scheme G – Tier I:-

Date of Inception	May 21, 2009	
Fund size as on 31/03/2019	₹ 329.66 Crore	
NAV per unit as on 31/03/2019	₹22.1649	
<b>Performance as on 31/03/2019: -</b>		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Govt. Securities Index)
Last 1 year	8.57%	8.11%
Last 3 years	8.10%	7.78%
Last 5 years	10.20%	9.96%
Since inception	8.40%	7.46%

f) Scheme G – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2019	₹ 16.84 Crore	
NAV per unit as on 31/03/2019	₹22.7962	
<b>Performance as on 31/03/2019: -</b>		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Govt. Securities Index)
Last 1 year	8.83%	8.11%
Last 3 years	8.35%	7.78%
Last 5 years	10.39%	9.96%
Since inception	9.27%	8.26%

g) Scheme A – Tier I:-

Date of Inception	October 14, 2016	
Fund size as on 31/03/2019	₹ 1.14 Crore	
NAV per unit as on 31/03/2019	₹11.8195	
<b>Performance as on 31/03/2019: -</b>		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark
Last 1 year	7.60%	NA
Since inception	7.00%	NA



h) Scheme – Central Government:-

Date of Inception	April 01, 2008	
Fund size	₹ 36,561.28 Crore	
NAV per unit as on 31/03/2019	₹27.5576	
<b>Performance as on 31/03/2019: -</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	8.82%	8.48%
Last 3 years	9.53%	8.79%
Last 5 years	10.58%	10.31%
Since inception	9.65%	9.05%

i) Scheme – State Government :-

Date of Inception	June 25, 2009	
Fund size as on 31/03/2019	₹ 52,938.99 Crore	
NAV per unit as on 31/03/2019	₹24.5351	
<b>Performance as on 31/03/2019: -</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	8.79%	8.48%
Last 3 years	9.42%	8.79%
Last 5 years	10.57%	10.31%
Since inception	9.62%	8.71%



j) NPS Lite Scheme –Govt. Pattern:-

Date of Inception	<b>October 04, 2010</b>	
Fund size as on 31/03/2019	₹ 964.68 Crore	
NAV per unit as on 31/03/2019	₹22.8775	
<b>Performance as on 31/03/2019: -</b>		
Period	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (CRISIL NPS – Government Pattern Index)</b>
Last 1 year	8.90%	8.48%
Last 3 years	9.55%	8.79%
Last 5 years	10.63%	10.31%
Since inception	10.23%	8.75%

k) Scheme Atal Pension Yojana:-

Date of Inception	<b>June 04, 2015</b>	
Fund size as on 31/03/2019	₹ 2,264.46 Crore	
NAV per unit as on 31/03/2019	₹14.0746	
<b>Performance as on 31/03/2019: -</b>		
Period	<b>Compounded Annual Growth Rate (CAGR)%</b>	
	<b>Scheme</b>	<b>Benchmark (CRISIL NPS – Government Pattern Index)</b>
Last 1 year	9.00%	8.48%
Last 3 years	9.59%	8.79%
Last 5 years	NA	NA
Since inception	9.35%	8.79%

9. 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 2018-19**

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 authorised 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 2018–19 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.

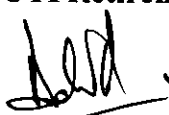
**Auditor’s Certificate on the Voting rights exercised by UTI Retirement Solutions:**

The Auditors’ Certificate on the proxy voting exercised during the FY 2018-19 is attached alongwith the Annual Report.

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, 2019 is attached along with the Annual Report at Page No. 19 – 20.

**For UTI Retirement Solutions Limited**

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

**Extracts of the Resolutions passed by the Board of Directors of UTI Retirement Solutions Limited in its meeting held on 25<sup>th</sup> April, 2019 at its Registered Office**

“Resolved,

that the Annual Statement of Accounts viz. Revenue Accounts for the year ended 31<sup>st</sup> March, 2019 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 23<sup>rd</sup> April, 2019 and Annual Report of the following NPS Schemes managed by UTI Retirement Solutions Limited for the Financial Year 2018-19, 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 Scheme A – Tier II (inoperative)
9.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme Central Government
10.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme State Government
11.	NPS Trust – A/c UTI Retirement Solutions Limited Scheme NPS Lite – Govt. Pattern
12.	NPS Trust – A/c UTI Retirement Solutions Limited Scheme Atal Pension Yojana (APY)
13.	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, 2019 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 23<sup>rd</sup> April, 2019 of all the NPS Schemes managed by UTI Retirement Solutions Limited for the Financial Year 2018-19, be and is hereby noted and recommended to be placed before the Board.”



“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, the Annual Report, Annual Statement of Accounts viz. Revenue Accounts for the year ended 31<sup>st</sup> March, 2019 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 2018-19.”

**For UTI Retirement Solutions Limited**

  
(Company Secretary)



Retirement Solutions

## **UTI Retirement Solutions Limited**

# **Combined Annual Audited Financial Statements Of Accounts of all the NPS Schemes As at 31st March, 2019**

### **Contents: -**

- Balance Sheet as at 31st March, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

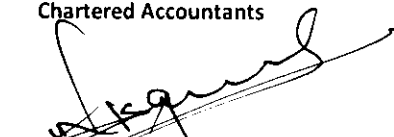
Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449

**NATIONAL PENSION SYSTEM TRUST  
UTI RETIREMENT SOLUTIONS LIMITED  
COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	37262 75 84 165	29875 24 19 373
Reserves and Surplus	2	56445 06 27 673	39608 02 75 192
Current Liabilities and Provisions	3	18 10 66 493	12 08 59 334
<b>Total</b>		<b>93725 92 78 331</b>	<b>69495 35 53 899</b>
<b>Assets</b>			
Investments	4	91259 19 33 256	67924 66 59 110
Deposits	5	373 63 59 394	-
Other Current Assets	6	2093 09 85 681	1570 68 94 789
<b>Total</b>		<b>93725 92 78 331</b>	<b>69495 35 53 899</b>
(a) Net assets as per Balance Sheets		93707 82 11 838	69483 26 94 565
(b) Number of units outstanding		3726 27 58 415	2987 52 41 937
Significant Accounting Policies and Notes to Accounts	7		


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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955  
UDIN: 19157955AA  
Date: 09/08/2019  
Place: Mumbai



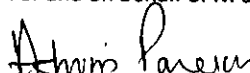
For UTI Retirement Solutions Ltd.

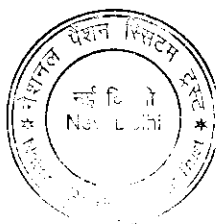
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261  
Date: 25/04/2019  
Place: Mumbai

  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725



For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)  
Date:  
Place: Mumbai



  
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, 2019**

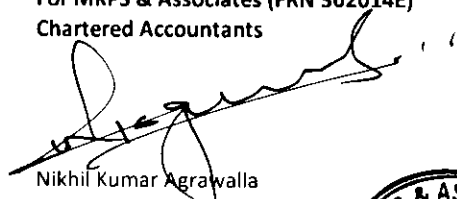
Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		136 91 42 437	105 89 27 886
Interest		5284 38 76 132	3974 56 85 950
Profit on sale/redemption of investments		200 59 34 209	259 90 02 093
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		2714 04 60 395	1085 16 25 162
Other income			
- Miscellaneous Income		77 485	3 245
<b>Total Income (A)</b>		<b>8335 94 90 658</b>	<b>5425 52 44 336</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		1069 93 15 877	1943 45 55 407
Loss on sale/redemption of investments		43 18 74 953	22 71 63 794
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		9 56 07 647	7 32 69 945
NPS Trust fees		3 16 03 510	6 12 30 616
Custodian fees (including service Tax / GST)		2 84 13 643	2 03 55 279
Depository and settlement charges (including service Tax / GST)		59 72 983	45 05 363
CRA Fees		15 94 86 524	11 45 70 492
Less: Amount recoverable on sale of units on account of CRA Charges		(15 94 86 524)	(11 45 70 492)
Provision for Non-Performing Assets		23 75 14 479	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>1153 03 03 092</b>	<b>1982 10 80 404</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>7182 91 87 566</b>	<b>3443 41 63 932</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1644 11 44 518)	858 29 30 245
Less: Amount transferred (to) / from General Reserve		(5538 80 43 048)	(4301 70 94 177)
<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 MKPS & Associates (FRN 302014E)  
Chartered Accountants

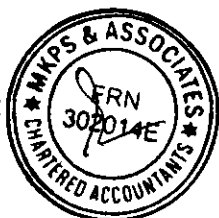


Nikhil Kumar Agrawalla  
Partner

Membership No.: 157955

UDIN: 19157955AAAB  
09213

Date: 09/08/2019  
Place: Mumbai



For UTI Retirement Solutions Ltd.



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

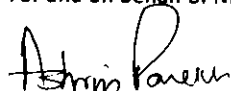
Date: 25/04/2019  
Place: Mumbai





Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

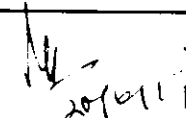
For and on Behalf of NPS Trust



Ashvin Parekh  
(Chairman, NPS Trust Board)

Date:  
Place: Mumbai





Munish Malik  
(Chief Executive Officer, NPS Trust)

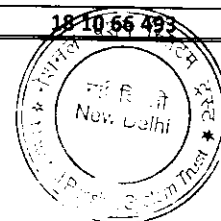
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**NATIONAL PENSION SYSTEM TRUST  
UTI RETIREMENT SOLUTIONS LIMITED**  
NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2019

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	29875 24 19 373	23585 91 96 942
Add :Units issued during the year	7662 65 17 628	6480 06 04 641
Less: Units redeemed during the year	(275 13 52 836)	(190 73 82 210)
<b>Outstanding at the end of the year</b>	<b>37262 75 84 165</b>	<b>29875 24 19 373</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	2987 52 41 937	2358 59 19 694
Add :Units issued during the year	766 26 51 763	648 00 60 465
Less: Units redeemed during the year	(27 51 35 285)	(19 07 38 222)
<b>Outstanding units at the end of the year</b>	<b>3726 27 58 415</b>	<b>2987 52 41 937</b>
<b>Schedule 2</b>		
	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	23482 59 60 803	15775 18 29 186
Add: Premium on Units issued	9990 90 49 836	7939 99 04 258
Less: Premium on Units redeemed	(336 78 84 921)	(232 57 72 641)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>33136 71 25 718</b>	<b>23482 59 60 803</b>
<b>General Reserve</b>		
Opening Balance	13554 00 07 507	9252 29 13 330
Add: Transfer from Revenue Account	5538 80 43 048	4301 70 94 177
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>19092 80 50 555</b>	<b>13554 00 07 507</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	2571 43 06 882	3429 72 37 127
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	1644 11 44 518	(858 29 30 245)
Closing Balance	<b>4215 54 51 400</b>	<b>2571 43 06 882</b>
<b>Total</b>	<b>56445 06 27 673</b>	<b>39608 02 75 192</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	3 86 68 045	4 33 59 715
Book Overdraft	-	-
Redemption Payable	8 00 21 253	7 67 00 464
TDS Payable	10 83 942	7 99 155
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>18 10 66 493</b>	<b>12 08 59 334</b>



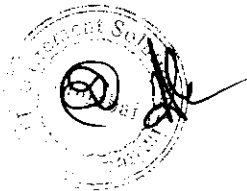
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**NATIONAL PENSION SYSTEM TRUST  
UTI RETIREMENT SOLUTIONS LIMITED**  
NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2019

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	13106 02 98 079	9513 58 47 282
Preference Shares	-	2 55 78 782
Debentures and Bonds Listed/Awaiting Listing	32653 94 29 336	23873 37 52 286
Central and State Government Securities (including treasury bills)	45079 62 15 535	33883 68 21 400
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	297 10 04 785	651 46 59 360
Non Convertible Debentures classified as NPA	131 25 00 000	-
Less: Provision on Non performing investment	(8 75 14 479)	-
<b>Total</b>	<b>91259 19 33 256</b>	<b>67924 66 59 110</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	373 63 59 394	-
<b>Total</b>	<b>373 63 59 394</b>	-

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	116 31 57 340	72 85 18 604
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	24 02 84 703	-
Less: Provision for interest on Non-Performing Investment	(24 02 84 703)	-
Outstanding and accrued income	1929 10 11 876	1496 91 26 597
Dividend Receivable	2 42 48 648	92 49 588
Brokerage receivable from PFM	2 998	-
Application money pending allotment	-	-
Sundry Debtors	20 25 64 819	-
Redemption receivable on Non performing Investment	40 00 00 000	-
Less: Provision for Non Performing Investment	(15 00 00 000)	-
<b>Total</b>	<b>2093 09 85 681</b>	<b>1570 68 94 789</b>



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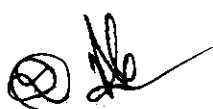
## NATIONAL PENSION SYSTEM TRUST

### 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, 2019

##### 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.
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.



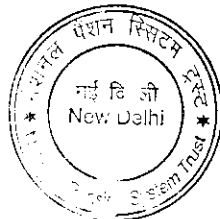
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3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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 :-

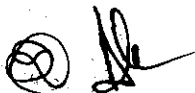
Sr. No.	Name of Scheme	Date of Inception
1.	Scheme E - Tier I	21 <sup>st</sup> May, 2009
2.	Scheme E - Tier II	14 <sup>th</sup> December, 2009
3.	Scheme C - Tier I	21 <sup>st</sup> May, 2009
4.	Scheme C - Tier II	14 <sup>th</sup> December, 2009
5.	Scheme G - Tier I	21 <sup>st</sup> May, 2009
6.	Scheme G - Tier II	14 <sup>th</sup> December, 2009
7.	Scheme A - Tier I	14 <sup>th</sup> October, 2016
8.	Scheme A - Tier II	20 <sup>th</sup> October, 2016
9.	Scheme - Central Govt.	1 <sup>st</sup> April, 2008
10.	Scheme - State Govt.	25 <sup>th</sup> June, 2009
11.	NPS Lite Scheme - Govt. Pattern	4 <sup>th</sup> October, 2010
12.	Scheme - Corporate CG	5 <sup>th</sup> November, 2012
13.	Atal Pension Yojana	4 <sup>th</sup> June, 2015

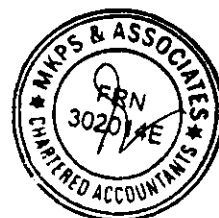


000027

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 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 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.





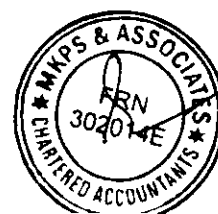
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7.	Scheme A - Tier I	To optimize returns through investments in: - a. Commercial mortgage based securities or Residential mortgage based securities b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India 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 A - Tier II													
9.	Scheme - Central Govt.	To optimize returns by investing in the instruments as per the following prescribed limits: -												
10.	Scheme - State Govt.	<table border="1"> <thead> <tr> <th>Instrument</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>Govt. Securities</td> <td>Upto 50%</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 5%</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 50%	Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.	Upto 45%	Short Term Debt Instruments and related investments	Upto 5%	Equity and related investments	Upto 15%	Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%
Instrument	Limit													
Govt. Securities	Upto 50%													
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Equity and related investments	Upto 15%													
Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%													
11.	NPS Lite Scheme - Govt. Pattern													
12.	Scheme - Corporate CG													
13.	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'.



000023

2. **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.

3. **Valuation of investments:** Investments are valued using the price determined in the following manner:

a. **Equity:**

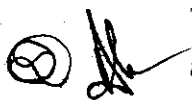
- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

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

- i. 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.





000030



- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

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

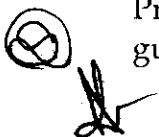
d. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

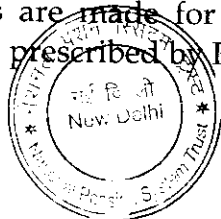
4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised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

5. **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:





000031





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:-

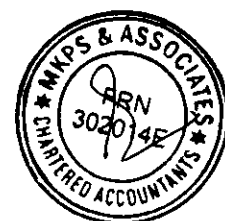
- i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.
- ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25%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

**6. 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.



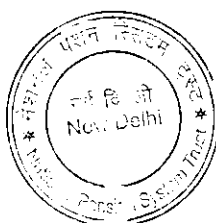
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7. **Computation of NAV:** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
8. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-19
<p><b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.</p>	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise 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.	Impact was not ascertainable.
<p><b>2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).</b></p>	They are being valued at average of price given by CRISIL and ICRA	Impact was not ascertainable.
<p><b>3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.</b></p>	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.
<p><b>4. Front-end discount should be reduced from the Cost of investments.</b></p>	Front-end discount is taken to Income.	Impact was not ascertainable.



000033



- 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.

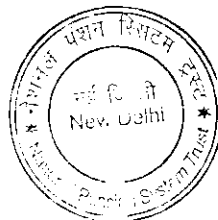
Based on the confirmation from CRA the number of units as at the year-end are 37262725700.3483 and the balance 32715.1448 have been identified as residual units with CRA.

Total 5363367.5208 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 8.0200 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.

- F. **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 ₹ 9,56,07,647/- (Previous Year ₹ 7,32,69,945/-) including Service Tax / GST.
- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are ₹ 3,16,03,510/- (Previous Year ₹ 6,12,30,616/-).
- H. **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	%
1,27,383.06	160.22	1,04,428.85	131.35	93,059.61	151.89	74,687.39	121.90



000034

I. 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, 2019 is ₹ 14,244.32 Crores (Previous Year ₹ 10,927.36 Crores).

J. Net Asset Value:

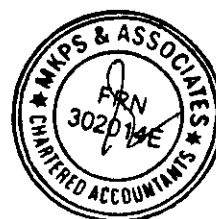
Sr. No.	Name of Scheme	Current Year	Previous Year
		As on 31st March, 2019 (in ₹)	As on 31st March, 2018 (in ₹)
1.	Scheme E - Tier I	30.0412	26.6015
2.	Scheme E - Tier II	24.4907	21.5731
3.	Scheme C - Tier I	24.0223	22.3880
4.	Scheme C - Tier II	22.9910	21.4076
5.	Scheme G - Tier I	22.1649	20.4148
6.	Scheme G - Tier II	22.7962	20.9458
7.	Scheme A - Tier I	11.8195	10.9848
8.	Scheme A - Tier II	10.0000	10.0000
9.	Scheme - Central Govt	27.5576	25.3233
10.	Scheme - State Govt.	24.5351	22.5518
11.	NPS Lite Scheme - Govt. Pattern	22.8775	21.0081
12.	Scheme - Corporate CG	10.0000	10.0000
13.	Atal Pension Yojana	14.0746	12.9130

K. 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	%
8,335.95	10.49	1,153.03	1.45	5,425.52	8.86	1,982.11	36.53

L. Non-Performing Assets:

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 31st March, 2019 is as under:

000035

₹ in Crores

Particular	As on 31st March, 2019	As on 31st March, 2018
Book Value	214.79	NIL
Provision for NPA	23.76	NIL
Carrying Cost	191.03	NIL
Market Value***	-	-
% of NPA (Gross) to AUM	0.23	NIL

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

- M. Contingent liability as on 31<sup>st</sup> March, 2019 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).
- N. 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, 2019 is ₹ NIL. (Previous Year ₹ Nil)
- O. 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.
- 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	₹ 1,03,205.03	₹ 246.49	₹ 73,503.77	₹ 651.47

- Q. **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, 2019.
- R. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure A.



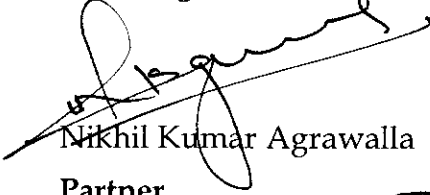
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S. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For MKPS & Associates

Chartered Accountants

Firm Registration No.: 302014E

  
Nikhil Kumar Agrawalla

Partner

M. No. - 157955


Date : 09/08/2019

Place : Mumbai

UDIN : 19157955AAAAB09813



For UTI Retirement Solutions Ltd.

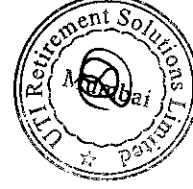
  
Balram P Bhagat


Chief Executive Officer  
& Whole Time Director

DIN : 01846261

Date : 25/04/2019

Place : Mumbai

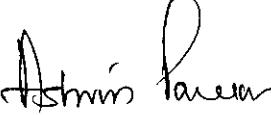


  
Intayazur Rahman

Chairman & Director

DIN: 01818725

For and on behalf of NPS Trust

  
Ashvin Parekh

Ashvin Parekh

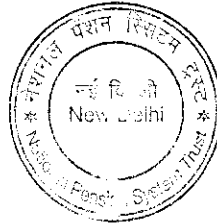
(Chairman, NPS Trust Board)

Date :

Place : Mumbai

  
Munish Malik

(Chief Executive Officer, NPS Trust)



000037

UTI Retirement Solutions Limited			
Combined Key Statistics of all NPS Scheme			
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	<b>NAV Per Unit (Rs.)*</b>		
a	Open	NA	NA
b	High	NA	NA
c	Low	NA	NA
d	End	NA	NA
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
a	End	9,370,782.11	6,948,326.94
b	Average (AAUM)	7,950,314.67	6,126,919.52
3	Gross income as % of AAUM	10.49%	8.86%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0203%	0.0260%
b	Management Fee as % of AAUM	0.0120%	0.0119%
5	<b>Net Income as a percentage of AAUM</b>	9.03%	5.62%
6	<b>Portfolio turnover ratio</b>	1.06%	2.19%
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	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+ cumulative return)^n) -1 (where n=365/no. of days)		



000038



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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449

**000039**



**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme E - Tier I (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

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

000040

403, 4th Floor, A Wing, Grace Chambers,  
 Andheri Kurla Road, Chakala, Beside Gurudwara,  
 Andheri (East), Mumbai - 400 093, India.



Phone: +91 22 2687 8861 / 63

E-mail: mumbai@mkps.in | web : www.mkps.in

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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.



000041

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.



2. We further Certify, *read along with observations in our Detailed Audit Report*, that:
- a) Investments have been valued in accordance with the guidelines issued by the Authority.
  - b) The system, procedures and safeguards followed by the PF are adequate;
  - c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.
  - d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
  - e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
  - f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates**  
**Chartered Accountants**  
**FRN: 302014E**

**Nikhil Kumar Agrawalla**  
**Partner**  
**M. No.:157955**

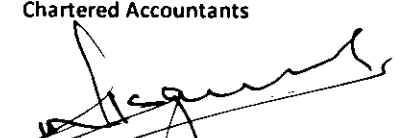
**Date:**  
**Place: Mumbai**


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	125 89 53 097	84 72 90 587
Reserves and Surplus	2	252 31 00 401	140 66 33 441
Current Liabilities and Provisions	3	1 30 99 203	34 50 062
<b>Total</b>		<b>379 51 52 701</b>	<b>225 73 74 090</b>
<b>Assets</b>			
Investments	4	375 68 18 196	225 69 51 015
Deposits	5	2 63 62 311	-
Other Current Assets	6	1 19 72 194	4 23 075
<b>Total</b>		<b>379 51 52 701</b>	<b>225 73 74 090</b>
(a) Net assets as per Balance Sheets		378 20 53 498	225 39 24 028
(b) Number of units outstanding		12 58 95 310	8 47 29 059
Significant Accounting Policies and Notes to Accounts	7		


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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
 Nikhil Kumar Agrawalla  
 Partner  
 Membership No.: 157955  
 UDIN: 19157955 AAAA089313  
 Date: 09/08/2019  
 Place: Mumbai

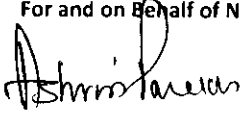



For UTI Retirement Solutions Ltd.

  
 Balram P Bhagat  
 Chief Executive Officer  
 & Whole Time Director  
 DIN: 01846261  
 Date: 25/04/2019  
 Place: Mumbai

  
 Imtiazur Rahman  
 Chairman & Director  
 DIN: 01818725

For and on Behalf of NPS Trust

  
 Ashvin Parekh  
 (Chairman, NPS Trust Board)  
 Date:  
 Place: Mumbai



  
 Munish Malik  
 (Chief Executive Officer, NPS Trust)

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**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, 2019**

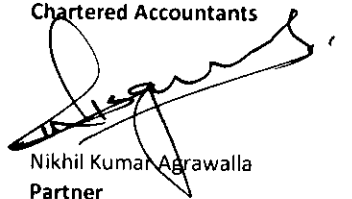
Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		3 64 02 821	2 01 34 625
Interest		8 306	-
Profit on sale/redemption of investments		2 14 20 302	2 52 71 908
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		46 78 58 429	20 05 53 540
Other income			
- Miscellaneous Income		885	603
<b>Total Income (A)</b>		<b>52 56 90 743</b>	<b>24 59 60 676</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		15 81 03 160	9 62 66 444
Loss on sale/redemption of investments		52 92 727	10 95 167
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		3 31 575	1 99 512
NPS Trust fees		1 10 547	1 69 976
Custodian fees (including service Tax / GST)		91 254	45 842
Depository and settlement charges (including service Tax / GST)		13 996	8 209
CRA Fees		26 78 744	22 38 169
Less: Amount recoverable on sale of units on account of CRA Charges		( 26 78 744)	( 22 38 169)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>16 39 43 259</b>	<b>9 77 85 150</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>36 17 47 484</b>	<b>14 81 75 526</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(30 97 55 269)	(10 42 87 096)
Less: Amount transferred (to) / from General Reserve		(5 19 92 215)	(4 38 88 430)
<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 MKPS & Associates (FRN 302014E)  
Chartered Accountants


  
Nikhil Kumar Agrawalla  
Partner

Membership No.: 157955

Date: 09/08/2019  
Place: Mumbai



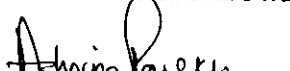
For UTI Retirement Solutions Ltd.

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

Date: 25/04/2019  
Place: Mumbai

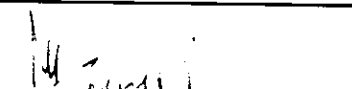
  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)

Date:  
Place: Mumbai



  
Munish Malik  
(Chief Executive Officer, NPS Trust)

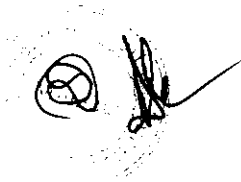
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	84 72 90 587	54 18 20 572
Add :Units issued during the year	49 06 83 350	36 84 61 695
Less: Units redeemed during the year	(7 90 20 840)	(6 29 91 680)
<b>Outstanding at the end of the year</b>	<b>125 89 53 097</b>	<b>84 72 90 587</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	8 47 29 059	5 41 82 057
Add :Units issued during the year	4 90 68 335	3 68 46 170
Less: Units redeemed during the year	( 79 02 084)	( 62 99 168)
<b>Outstanding units at the end of the year</b>	<b>12 58 95 310</b>	<b>8 47 29 059</b>

Schedule 2	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	99 51 40 587	49 12 89 681
Add: Premium on Units issued	90 01 17 677	60 72 66 487
Less: Premium on Units redeemed	(14 53 98 201)	(10 34 15 581)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>174 98 60 063</b>	<b>99 51 40 587</b>
<b>General Reserve</b>		
Opening Balance	8 87 45 031	4 48 56 601
Add: Transfer from Revenue Account	5 19 92 215	4 38 88 430
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>14 07 37 246</b>	<b>8 87 45 031</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	32 27 47 823	21 84 60 727
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	30 97 55 269	10 42 87 096
Closing Balance	<b>63 25 03 092</b>	<b>32 27 47 823</b>
<b>Total</b>	<b>252 31 00 401</b>	<b>140 66 33 441</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	1 31 606	1 25 142
Book Overdraft	-	-
Redemption Payable	29 66 854	33 22 602
TDS Payable	3 893	2 318
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>1 30 99 203</b>	<b>34 50 062</b>





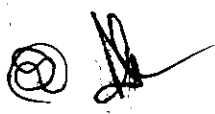
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	366 82 56 021	216 63 78 012
Preference Shares	-	4 30 755
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	8 85 62 175	9 01 42 248
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>375 68 18 196</b>	<b>225 69 51 015</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	2 63 62 311	-
<b>Total</b>	<b>2 63 62 311</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	1 14 85 802	2 55 029
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	8 306	-
Dividend Receivable	4 75 088	1 68 046
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>1 19 72 194</b>	<b>4 23 075</b>





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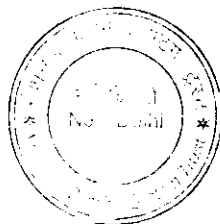
# NATIONAL PENSION SYSTEM TRUST

## 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, 2019

#### 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 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.
  
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, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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.



000049

- (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.

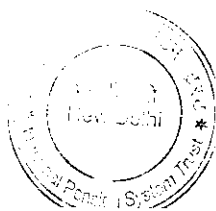
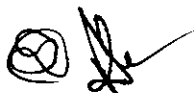
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### 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. Investments:

- Investments are accounted on trade date.
- Cost is determined on the basis of weighted average cost.
- Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- 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.



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3. **Valuation of investments:** Investments are valued using the price determined in the following manner:

**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.

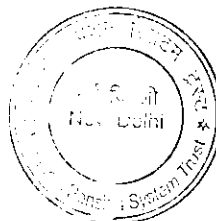
**iii. Right entitlement:**

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

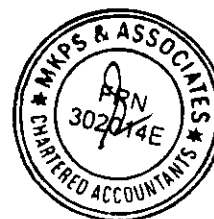
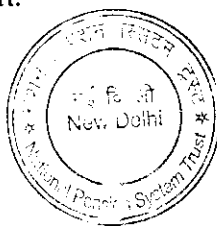
- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.





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- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
  - vii. Partly paid bonds are valued at cost till it is fully paid.
  - viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.
- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. **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.
4. 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.
5. **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
6. **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.
7. **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.



000052

- 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%	₹ 3,31,575	₹ 1,99,512

\* excluding service tax / GST

\*\* including service tax / 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 125895278.0224 and the balance 31.6205 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 basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

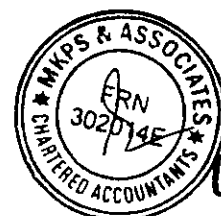
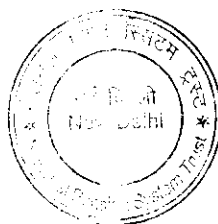
NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 1,10,547	₹ 1,69,976

- 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	%
1,490.80	529.94	1,370.77	487.27	871.75	512.17	788.69	463.37

- H. The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2019 is ₹ NIL. (Previous Year ₹ 0.04 Crores).



000053

I. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 30.0412	₹ 26.6015

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	%
52.57	18.69	16.39	5.83	24.60	14.45	9.78	5.75

K. Contingent liability as on 31st March, 2019 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).

L. 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

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

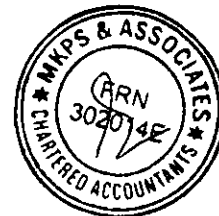
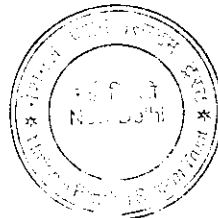
₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 1,363.80	₹ 8.86	₹ 772.91	₹ 9.01

N. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31st March, 2019 is given in Annexure A.

O. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure B.





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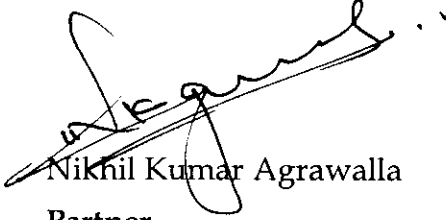
P. The Previous Year figures are regrouped / reclassified, wherever necessary.

For MKPS & Associates

For UTI Retirement Solutions Ltd.

Chartered Accountants

Firm Registration No.: 302014E

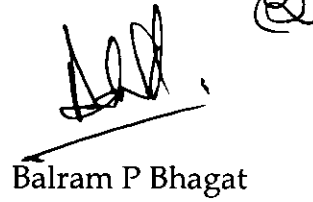
  
Nikhil Kumar Agrawalla  
Partner

M. No. - 157955

Date : 09/08/2019

Place : Mumbai



  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

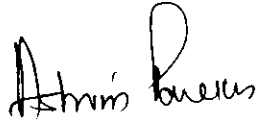
Date : 25/04/2019

Place : Mumbai

  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

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For and on behalf of NPS Trust



Ashvin Parekh

(Chairman, NPS Trust Board)

Date :

Place : Mumbai



Munish Malik

(Chief Executive Officer, NPS Trust)



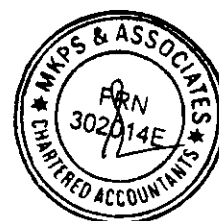
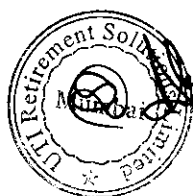
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**ANNEXURE A**

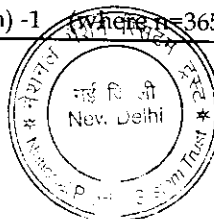
**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

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.	545,835	218,606,918	5.78	5.96
HDFC BANK LTD.	88,937	206,236,009	5.45	5.62
INDUSIND BANK LTD.	76,217	135,666,260	3.59	3.70
AXIS BANK LTD.	174,543	135,663,547	3.59	3.70
STATE BANK OF INDIA	414,187	132,850,480	3.51	3.62
KOTAK MAHINDRA BANK LTD.	84,395	112,625,128	2.98	3.07
YES BANK	171,055	47,057,231	1.24	1.28
BANK OF BARODA	108,120	13,909,638	0.37	0.38
IDFC BANK LIMITED	64,936	3,603,948	0.10	0.10
PUNJAB NATIONAL BANK	3,627	346,379	0.01	0.01
		<b>1,006,565,538</b>	<b>26.62</b>	<b>27.44</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	241,962	179,983,434	4.76	4.91
TATA CONSULTANCY SERVICES LTD.	68,022	136,156,236	3.60	3.71
TECH MAHINDRA LTD.	84,150	65,291,985	1.73	1.78
HCL TECHNOLOGIES LIMITED	5,578	6,065,796	0.16	0.17
		<b>387,497,451</b>	<b>10.25</b>	<b>10.57</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.	166,764	227,341,023	6.01	6.20
INDIAN OIL CORPORATION LTD.	219,400	35,729,290	0.94	0.97
CASTROL INDIA LTD.	79,800	13,278,720	0.35	0.36
BHARAT PETROLEUM CORPORATION LTD.	11,268	4,479,593	0.12	0.12
		<b>280,828,626</b>	<b>7.42</b>	<b>7.65</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	75,144	147,902,178	3.91	4.03
LIC HOUSING FINANCE LTD.	88,000	46,833,600	1.24	1.28
		<b>194,735,778</b>	<b>5.15</b>	<b>5.31</b>
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	647,720	192,534,770	5.09	5.25
		<b>192,534,770</b>	<b>5.09</b>	<b>5.25</b>



000056

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, 2019	As at March 31, 2018
1	<b>NAV Per Unit (Rs.)*</b>		
a	Open	26.6017	23.9274
b	High	30.5457	29.2043
c	Low	25.9271	23.8393
d	End	30.0412	26.6015
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
a	End	37820.53	22539.24
b	Average (AAUM)	28131.59	17020.74
3	<b>Gross income as % of AAUM</b>	18.69%	14.45%
4	<b>Expense Ratio</b>		
a	Total Expense as % of AAUM	0.0195%	0.0249%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	<b>Net Income as a percentage of AAUM</b>	12.86%	8.71%
6	<b>Portfolio turnover ratio</b>	2.27%	11.63%
7	<b>Returns (%)* Compounded Annualised Yield</b>		
	Last 1 Year	12.93%	11.18%
	Last 3 Years	15.56%	8.42%
	Last 5 Years	13.28%	14.91%
	Since Launch of the scheme (May 21, 2009)	11.79%	11.67%
<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>			



000057



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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449

000058

**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust – A/c UTI Retirement Solutions Scheme E - Tier II (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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

403, 4th Floor, A Wing, Grace Chambers,  
 Andheri Kurla Road, Chakala, Beside Gurudwara,  
 Andheri (East), Mumbai - 400 093, India.

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

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.



2. We further Certify, *read along with observations in our Detailed Audit Report*, that:
- a) Investments have been valued in accordance with the guidelines issued by the Authority.
  - b) The system, procedures and safeguards followed by the PF are adequate;
  - c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.
  - d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
  - e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
  - f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**



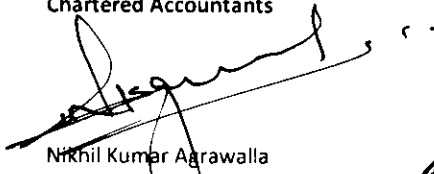
**Date:  
Place: Mumbai**

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	9 51 80 350	7 10 85 534
Reserves and Surplus	2	13 79 23 895	8 22 68 613
Current Liabilities and Provisions	3	9 90 257	5 68 109
<b>Total</b>		<b>23 40 94 502</b>	<b>15 39 22 256</b>
<b>Assets</b>			
Investments	4	23 34 01 113	15 38 87 812
Deposits	5	2 46 688	-
Other Current Assets	6	4 46 701	34 444
<b>Total</b>		<b>23 40 94 502</b>	<b>15 39 22 256</b>
(a) Net assets as per Balance Sheets		23 31 04 245	15 33 54 147
(b) Number of units outstanding		95 18 035	71 08 553
Significant Accounting Policies and Notes to Accounts	7		

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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955



Date: 09/08/2019  
Place: Mumbai

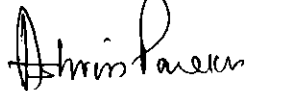
For UTI Retirement Solutions Ltd.

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

  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000063



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019**

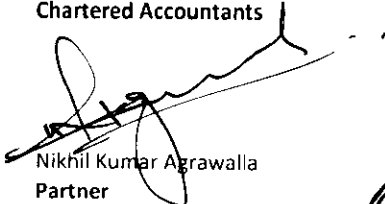
Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		24 47 818	15 06 168
Interest		47	-
Profit on sale/redemption of investments		16 18 078	13 76 405
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		3 20 02 901	1 61 38 170
Other income			
- Miscellaneous Income		243	403
<b>Total Income (A)</b>		<b>3 60 69 087</b>	<b>1 90 21 146</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		1 13 51 772	70 64 933
Loss on sale/redemption of investments		4 80 434	97 798
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		22 456	15 232
NPS Trust fees		7 550	12 976
Custodian fees (including service Tax / GST)		6 279	2 899
Depository and settlement charges (including service Tax / GST)		1 038	662
CRA Fees		44 125	31 706
Less: Amount recoverable on sale of units on account of CRA Charges		( 44 125)	( 31 706)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>1 18 69 529</b>	<b>71 94 500</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>2 41 99 558</b>	<b>1 18 26 646</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(2 06 51 129)	( 90 73 237)
Less: Amount transferred (to) / from General Reserve		( 35 48 429)	( 27 53 409)
<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.

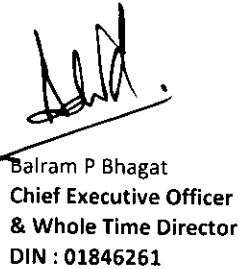
For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955



Date: 09/08/2019  
Place: Mumbai

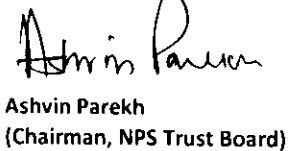
For UTI Retirement Solutions Ltd.

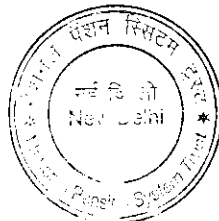
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261

Date: 25/04/2019  
Place: Mumbai

  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

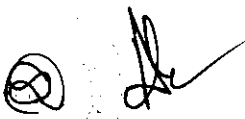
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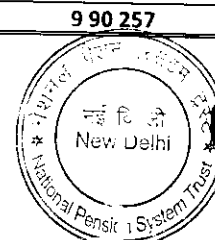
**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	7 10 85 534	5 07 99 775
Add :Units issued during the year	5 04 62 191	3 75 38 114
Less: Units redeemed during the year	(2 63 67 375)	(1 72 52 355)
<b>Outstanding at the end of the year</b>	<b>9 51 80 350</b>	<b>7 10 85 534</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	71 08 553	50 79 978
Add :Units issued during the year	50 46 220	37 53 811
Less: Units redeemed during the year	( 26 36 738)	( 17 25 236)
<b>Outstanding units at the end of the year</b>	<b>95 18 035</b>	<b>71 08 553</b>

Schedule 2	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	4 23 66 424	1 97 21 470
Add: Premium on Units issued	6 57 43 137	4 24 75 018
Less: Premium on Units redeemed	(3 42 87 413)	(1 98 30 064)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>7 38 22 148</b>	<b>4 23 66 424</b>
<b>General Reserve</b>		
Opening Balance	85 48 593	57 95 184
Add: Transfer from Revenue Account	35 48 429	27 53 409
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>1 20 97 022</b>	<b>85 48 593</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	3 13 53 596	2 22 80 359
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	2 06 51 129	90 73 237
<b>Closing Balance</b>	<b>5 20 04 725</b>	<b>3 13 53 596</b>
<b>Total</b>	<b>13 79 23 895</b>	<b>8 22 68 613</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	8 698	9 361
Book Overdraft	-	-
Redemption Payable	9 81 309	5 58 581
TDS Payable	250	167
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>9 90 257</b>	<b>5 68 109</b>





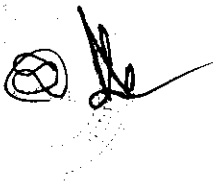
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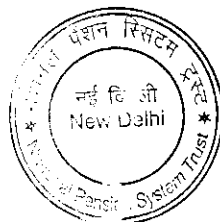
**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	23 19 74 263	15 08 48 621
Preference Shares	-	47 243
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	14 26 850	29 91 948
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>23 34 01 113</b>	<b>15 38 87 812</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	2 46 688	-
<b>Total</b>	<b>2 46 688</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	4 11 436	19 647
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	47	-
Dividend Receivable	35 218	14 797
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>4 46 701</b>	<b>34 444</b>





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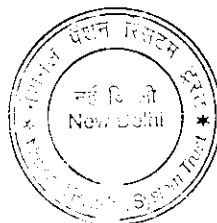
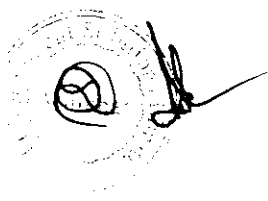
# NATIONAL PENSION SYSTEM TRUST

## 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, 2019

#### 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 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.
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.

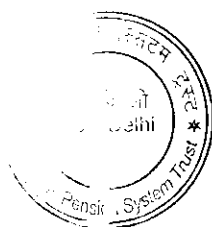
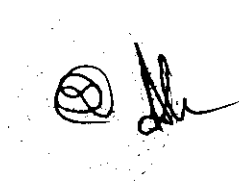


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3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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 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 corporates.



000068

- (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.

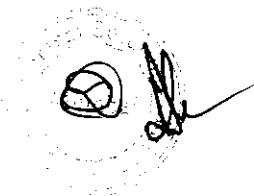
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### 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. 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.



000069

3. **Valuation of investments:** Investments are valued using the price determined in the following manner:

**a. Equity:**

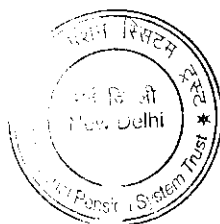
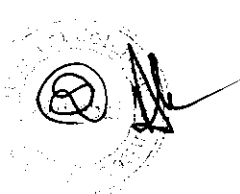
- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

**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.

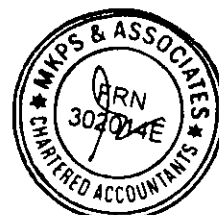
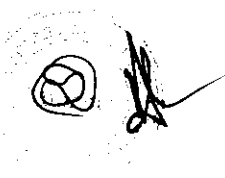
**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.



000070

- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
  - vii. Partly paid bonds are valued at cost till it is fully paid.
  - viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.
- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. **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.
4. 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.
5. **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.
6. **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.



000071



7. **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%	₹ 22,456	₹ 15,232

\* excluding service tax / GST

\*\* including service tax / 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 9518031.6097 and the balance 3.3662 have been identified as residual units with CRA.

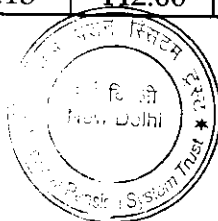
F. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 7,550	₹ 12,976

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	%
89.98	472.44	84.18	442.00	77.10	593.57	72.62	559.07



000072

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, 2019 is ₹ NIL. (Previous Year ₹ 47,243).

I. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 24.4907	₹ 21.5731

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	%
3.61	18.94	1.19	6.23	1.90	14.64	0.72	5.54

K. Contingent liability as on 31st March, 2019 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).

L. 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

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

Name of Scheme	₹ in Crores			
	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 83.29	₹ 0.14	₹ 71.66	₹ 0.30

N. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31st March, 2019 is given in Annexure A.



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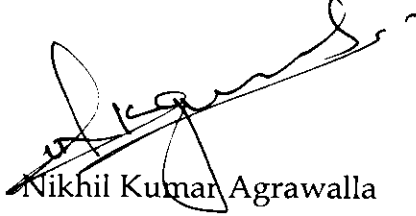
O. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure B.

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

**For MKPS & Associates**

**Chartered Accountants**

**Firm Registration No.: 302014E**



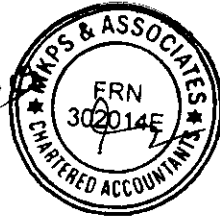
**Nikhil Kumar Agrawalla**

**Partner**

**M. No. - 157955**

**Date : 09/08/2019**

**Place : Mumbai**



**For UTI Retirement Solutions Ltd.**



**Balram P Bhagat**

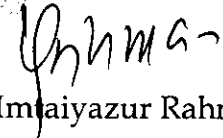
**Chief Executive Officer**

**& Whole Time Director**

**DIN : 01846261**

**Date : 25/04/2019**

**Place : Mumbai**



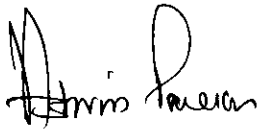
**Imtaiyazur Rahman**

**Chairman & Director**

**DIN: 01818725**

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**For and on behalf of NPS Trust**

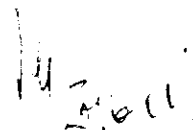
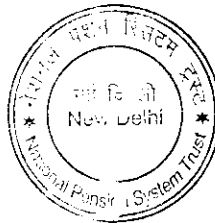


**Ashvin Parekh**

**(Chairman, NPS Trust Board)**

**Date :**

**Place : Mumbai**



**Munish Malik**

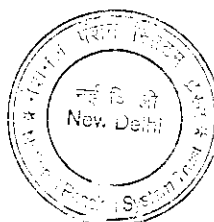
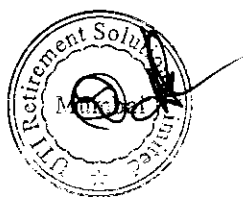
**(Chief Executive Officer, NPS Trust)**

**000074**

**ANNEXURE A**

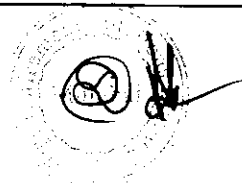
**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

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.	32,842	13,153,221	5.64	5.67
HDFC BANK LTD.	5,470	12,684,383	5.44	5.47
INDUSIND BANK LTD.	6,116	10,886,480	4.67	4.69
KOTAK MAHINDRA BANK LTD.	6,350	8,474,075	3.64	3.65
AXIS BANK LTD.	9,778	7,599,951	3.26	3.28
STATE BANK OF INDIA	19,414	6,227,041	2.67	2.68
YES BANK	8,450	2,324,595	1.00	1.00
BANK OF BARODA	11,270	1,449,886	0.62	0.63
IDFC BANK LIMITED	5,000	277,500	0.12	0.12
		<b>63,077,132</b>	<b>27.06</b>	<b>27.19</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	19,166	14,256,629	6.12	6.15
TATA CONSULTANCY SERVICES LTD.	4,774	9,555,877	4.10	4.12
TECH MAHINDRA LTD.	4,288	3,327,059	1.43	1.43
HCL TECHNOLOGIES LIMITED	1,156	1,257,092	0.54	0.54
		<b>28,396,657</b>	<b>12.19</b>	<b>12.24</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.	10,654	14,524,066	6.23	6.26
INDIAN OIL CORPORATION LTD.	7,240	1,179,034	0.51	0.51
BHARAT PETROLEUM CORPORATION LTD.	1,158	460,363	0.20	0.20
CASTROL INDIA LTD.	2,060	342,784	0.15	0.15
		<b>16,506,247</b>	<b>7.09</b>	<b>7.12</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	5,891	11,594,961	4.97	5.00
LIC HOUSING FINANCE LTD.	6,560	3,491,232	1.50	1.51
		<b>15,086,193</b>	<b>6.47</b>	<b>6.51</b>
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	43,577	12,953,263	5.56	5.58
		<b>12,953,263</b>	<b>5.56</b>	<b>5.58</b>
<b>CONSTRUCTION OF UTILITY PROJECTS N.E.C.</b>				
LARSEN & TOUBRO LTD.	8,978	12,437,223	5.34	5.36
		<b>12,437,223</b>	<b>5.34</b>	<b>5.36</b>
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
SUN PHARMACEUTICAL INDUSTRIES LTD.	5,689	2,724,178	1.17	1.17
DIVIS LABORATORIES LTD.	1,350	2,299,185	0.99	0.99
LUPIN LTD.	2,982	2,205,487	0.95	0.95
CADILA HEALTHCARE LTD.	5,400	1,874,070	0.80	0.81
DR. REDDYS LABORATORIES LTD.	490	1,362,323	0.58	0.59
CIPLA LTD.	2,526	1,336,001	0.57	0.58
		<b>11,801,244</b>	<b>5.06</b>	<b>5.09</b>



000075

Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme E - Tier II			
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	21.5732	19.4089
b	High	24.8542	23.7249
c	Low	21.1274	19.2744
d	End	24.4907	21.5731
2	Closing Assets Under Management ( Rs. In Lakhs)		
a	End	2331.04	1533.54
b	Average (AAUM)	1904.49	1298.93
3	Gross income as % of AAUM	18.94%	14.64%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0195%	0.0244%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	Net Income as a percentage of AAUM	12.71%	9.10%
6	Portfolio turnover ratio	3.74%	7.67%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	13.52%	11.15%
	Last 3 Years	15.48%	8.22%
	Last 5 Years	13.50%	14.86%
	Since Launch of the scheme (December 14, 2009)	10.11%	9.71%
<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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' – Block  
Bandra – Kurla Complex  
Bandra (East)  
Mumbai – 400051  
Phone: - 66786731 / 6449

000077

**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme C - Tier I (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

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

403, 4th Floor, A Wing, Grace Chambers,  
 Andheri Kurla Road, Chakala, Beside Gurudwara,  
 Andheri (East), Mumbai - 400 093, India.



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000078

Also At : New Delhi, Bangalore, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

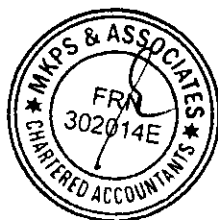
Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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.



000079



Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 PFM to cease to continue as a going concern.

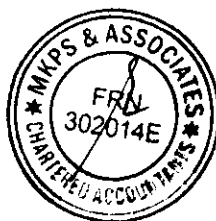
Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.



000080

2. We further Certify, *read along with observations in our Detailed Audit Report*, that:

- a) Investments has been valued in accordance with the guidelines issued by the Authority, *except for the variance set out in Significant Accounting Policies in Note 7D.*
- b) The system, procedures and safeguards followed by the PF are adequate;
- c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.
- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates**  
**Chartered Accountants**  
**FRN: 302014E**

**Nikhil Kumar Agrawalla**  
**Partner**  
**M. No.:157955**

**Date:**  
**Place: Mumbai**



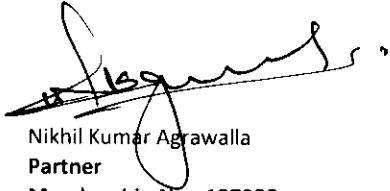
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	90 05 68 673	62 44 42 481
Reserves and Surplus	2	126 28 10 306	77 35 61 688
Current Liabilities and Provisions	3	17 49 381	17 99 957
<b>Total</b>		<b>216 51 28 360</b>	<b>139 98 04 126</b>
<b>Assets</b>			
Investments	4	207 87 27 865	135 34 69 839
Deposits	5	1 51 63 728	-
Other Current Assets	6	7 12 36 767	4 63 34 287
<b>Total</b>		<b>216 51 28 360</b>	<b>139 98 04 126</b>
(a) Net assets as per Balance Sheets		216 33 78 979	139 80 04 169
(b) Number of units outstanding		9 00 56 867	6 24 44 248
Significant Accounting Policies and Notes to Accounts	7		

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

For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955



Date: 09/08/2019  
Place: Mumbai

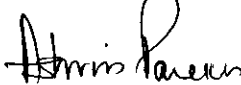
For UTI Retirement Solutions Ltd.

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

Date: 25/04/2019  
Place: Mumbai

  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000082

**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, 2019**

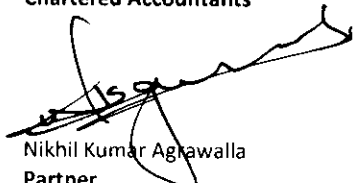
Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		-	-
Interest		12 97 08 810	7 81 21 780
Profit on sale/redemption of investments		20 47 774	13 57 744
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		2 02 92 013	16 33 679
Other income			
- Miscellaneous Income		452	7
<b>Total Income (A)</b>		<b>15 20 49 049</b>	<b>8 11 13 210</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		2 07 99 406	2 18 09 652
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		1 95 917	1 20 596
NPS Trust fees		65 256	1 02 760
Custodian fees (including service Tax / GST)		61 059	35 653
Depository and settlement charges (including service Tax / GST)		11 815	7 629
CRA Fees		15 05 897	13 05 647
Less: Amount recoverable on sale of units on account of CRA Charges		( 15 05 897)	( 13 05 647)
Provision for Non-Performing Assets		2 50 000	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>2 13 83 453</b>	<b>2 20 76 290</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>13 06 65 596</b>	<b>5 90 36 920</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		5 07 393	2 01 75 973
Less: Amount transferred (to) / from General Reserve		(13 11 72 989)	(7 92 12 893)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

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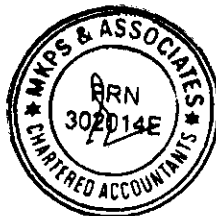
This is the Revenue Account referred to in our report of even date.

For MKPS & Associates (FRN 302014E)  
Chartered Accountants



Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955

Date: 09/08/2019  
Place: Mumbai



For UTI Retirement Solutions Ltd.



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

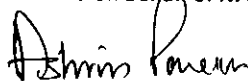
Date: 25/04/2019  
Place: Mumbai





Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

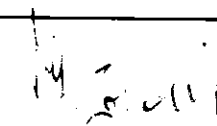
For and on Behalf of NPS Trust



Ashvin Parekh  
(Chairman, NPS Trust Board)

Date:  
Place: Mumbai





Munish Malik  
(Chief Executive Officer, NPS Trust)

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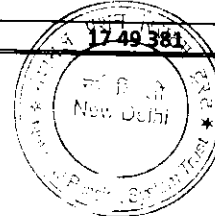
**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	62 44 42 481	38 77 37 272
Add :Units issued during the year	33 32 05 822	27 23 77 313
Less: Units redeemed during the year	(5 70 79 630)	(3 56 72 104)
<b>Outstanding at the end of the year</b>	<b>90 05 68 673</b>	<b>62 44 42 481</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	6 24 44 248	3 87 73 727
Add :Units issued during the year	3 33 20 582	2 72 37 731
Less: Units redeemed during the year	( 57 07 963)	( 35 67 210)
<b>Outstanding units at the end of the year</b>	<b>9 00 56 867</b>	<b>6 24 44 248</b>

Schedule 2	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	58 44 75 656	30 15 96 422
Add: Premium on Units issued	43 14 97 332	32 53 31 934
Less: Premium on Units redeemed	(7 29 14 310)	(4 24 52 700)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>94 30 58 678</b>	<b>58 44 75 656</b>
<b>General Reserve</b>		
Opening Balance	18 29 22 417	10 37 09 524
Add: Transfer from Revenue Account	13 11 72 989	7 92 12 893
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>31 40 95 406</b>	<b>18 29 22 417</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	61 63 615	2 63 39 588
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	( 5 07 393)	(2 01 75 973)
Closing Balance	<b>56 56 222</b>	<b>61 63 615</b>
<b>Total</b>	<b>126 28 10 306</b>	<b>77 35 61 688</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	82 613	76 941
Book Overdraft	-	-
Redemption Payable	16 64 388	17 21 525
TDS Payable	2 380	1 491
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>17 49 381</b>	<b>17 99 957</b>

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**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, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	205 38 38 710	130 91 40 437
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 96 39 155	4 43 29 402
Non Convertible Debentures classified as NPA	52 50 000	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>207 87 27 865</b>	<b>135 34 69 839</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	1 51 63 728	-
<b>Total</b>	<b>1 51 63 728</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	57 25 898	36 24 084
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	8 95 738	-
Less: Provision for interest on Non-Performing Investment	( 8 95 738)	-
Outstanding and accrued income	6 47 60 869	4 27 10 203
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	10 00 000	-
Less: Provision for Non Performing Investment	( 2 50 000)	-
<b>Total</b>	<b>7 12 36 767</b>	<b>4 63 34 287</b>



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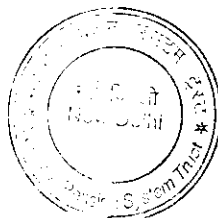
## NATIONAL PENSION SYSTEM TRUST

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, 2019

#### 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 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 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.
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.



000086

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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:



000087



- (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.



000088

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.

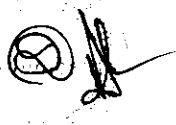
For sub - category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.

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.

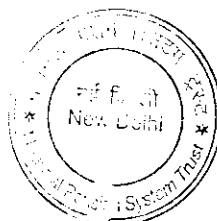
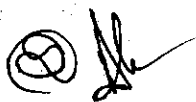
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015

### 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. 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



000090

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.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

**a. Equity:**

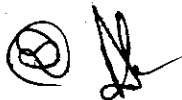
- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

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

- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.





000091

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'

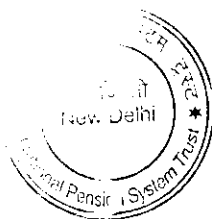
- i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

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.

**6. 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.



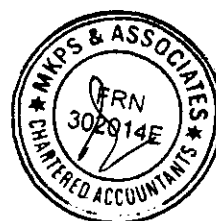
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- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
7. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
8. **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. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-19
<p>1. <b>Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.</p>	<p>When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise 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.</p>	<p>Impact was not ascertainable.</p>

- 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 90056837.0551 and the balance 30.0288 have been identified as residual units with CRA



- F. **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%	₹ 1,95,917	₹ 1,20,596

\* excluding service tax / GST

\*\* including service tax / GST

- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 65,256	₹ 1,02,760

- H. **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:

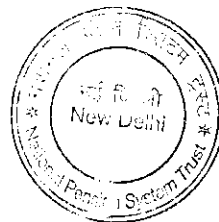
₹ in Crores

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
731.01	439.83	654.22	393.62	544.82	529.43	485.20	471.49

- I. 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, 2019 is ₹ 78.93 Crores. (Previous Year ₹ 49.09 Crores).

- J. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 24.0223	₹ 22.3880



K. **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	%
15.20	9.15	2.14	1.29	8.11	7.88	2.21	2.15

L. **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, 2019 is as under:

Particular	As on 31st March, 2019	As on 31st March, 2018
Book Value (₹)	79,89,175	NIL
Provision for NPA (₹)	2,50,000	NIL
Carrying Cost (₹)	77,39,175	NIL
Market Value (₹)***	-	-
% of NPA (Gross) to AUM	0.37	NIL

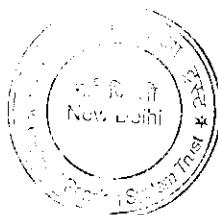
\*\*\* Investment is not traded, hence market value is not ascertainable.

M. **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

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

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 650.58	₹ 1.96	₹ 487.50	₹ 4.43



000096



O. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2019 is given in Annexure A.

P. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure B.

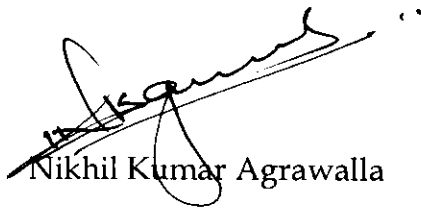
Q. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For MKPS & Associates

For UTI Retirement Solutions Ltd.

Chartered Accountants

Firm Registration No.: 302014E



Nikhil Kumar Agrawalla  
Partner

M. No. - 157955

Date : 09/05/2019

Place : Mumbai



Balram P Bhagat

Chief Executive Officer  
& Whole Time Director

DIN : 01846261

Date : 25/04/2019

Place : Mumbai



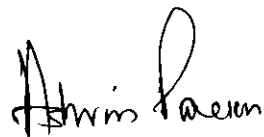
Imtaiyazur Rahman

Chairman & Director

DIN: 01818725

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For and on behalf of NPS Trust

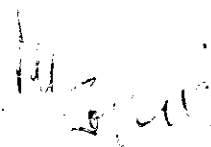


Ashvin Parekh

(Chairman, NPS Trust Board)

Date :

Place : Mumbai



Munish Malik

(Chief Executive Officer, NPS Trust)

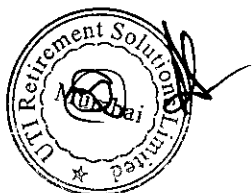


000097

**ANNEXURE A**

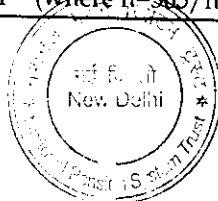
**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

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.	1,750,000	176,236,040	8.15	8.56
ICICI BANK LTD.	1,260,000	124,549,718	5.76	6.05
HDFC BANK LTD.	690,000	67,879,647	3.14	3.30
IDFC BANK LIMITED	140,000	14,054,355	0.65	0.68
YES BANK	100,000	9,404,060	0.43	0.46
KOTAK MAHINDRA BANK LTD.	80,000	8,218,600	0.38	0.40
PUNJAB NATIONAL BANK	20,000	1,923,178	0.09	0.09
		<b>402,265,598</b>	<b>18.60</b>	<b>19.54</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	1,610,000	163,643,709	7.56	7.95
HOUSING AND URBAN DEVELOPMENT CORPORATION	770,000	78,984,906	3.65	3.84
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	590,000	60,722,026	2.81	2.95
PNB HOUSING FINANCE LIMITED	80,000	8,019,394	0.37	0.39
		<b>311,370,035</b>	<b>14.39</b>	<b>15.13</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	1,570,000	157,466,824	7.28	7.65
POWER FINANCE CORPORATION LTD.	1,100,000	109,204,329	5.05	5.30
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	50,000	4,756,185	0.22	0.23
CAN FIN HOMES LTD.	30,000	3,003,726	0.14	0.15
		<b>274,431,064</b>	<b>12.69</b>	<b>13.33</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	1,810,000	182,302,110	8.43	8.85
EXPORT IMPORT BANK OF INDIA	770,000	77,108,703	3.56	3.74
		<b>259,410,813</b>	<b>11.99</b>	<b>12.59</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	1,600,000	159,221,239	7.36	7.73
		<b>159,221,239</b>	<b>7.36</b>	<b>7.73</b>
<b>PASSENGER RAIL TRANSPORT</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	1,080,000	108,852,178	5.03	5.29
		<b>108,852,178</b>	<b>5.03</b>	<b>5.29</b>



090098

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, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	22.3927	21.1369
b	High	24.0223	22.4105
c	Low	21.9131	21.0236
d	End	24.0223	22.3880
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	21,633.78	13,980.04
b	Average (AAUM)	16,620.45	10,290.72
3	Gross income as % of AAUM	9.15%	7.88%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0201%	0.0259%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	Net Income as a percentage of AAUM	7.86%	5.74%
6	Portfolio turnover ratio	0.71%	0.00%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	7.30%	5.94%
	Last 3 Years	8.40%	8.90%
	Last 5 Years	9.77%	9.53%
	Since Launch of the scheme (May 21, 2009)	9.29%	9.52%
<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 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) 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>			



000099



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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449

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**INDEPENDENT AUDITOR'S REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Scheme C - Tier II (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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

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000101

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

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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.



000102

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
2. We further Certify, read along with observations in our Detailed Audit Report, that:
  - a) Investments has been valued in accordance with the guidelines issued by the Authority, except for the variance set out in Significant Accounting Policies in Note 7D.
  - b) The system, procedures and safeguards followed by the PF are adequate;



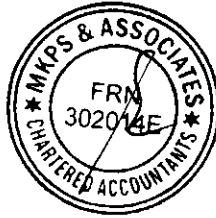
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- c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.
- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**

**Date:  
Place: Mumbai**



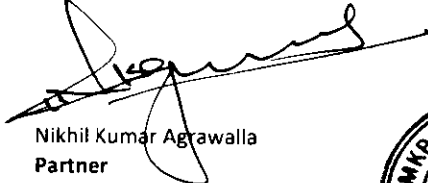


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	5 61 31 569	4 61 17 250
Reserves and Surplus	2	7 29 20 925	5 26 08 924
Current Liabilities and Provisions	3	3 06 888	2 53 042
<b>Total</b>		<b>12 93 59 382</b>	<b>9 89 79 216</b>
<b>Assets</b>			
Investments	4	12 48 11 020	9 52 28 552
Deposits	5	96 609	-
Other Current Assets	6	44 51 753	37 50 664
<b>Total</b>		<b>12 93 59 382</b>	<b>9 89 79 216</b>
(a) Net assets as per Balance Sheets		12 90 52 494	9 87 26 174
(b) Number of units outstanding		56 13 157	46 11 725
Significant Accounting Policies and Notes to Accounts	7		

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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955



Date: 09/08/2019  
Place: Mumbai


For UTI Retirement Solutions Ltd.

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

  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000105

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		-	-
Interest		87 30 145	62 73 296
Profit on sale/redemption of investments		1 72 956	1 14 788
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		11 14 232	1 48 623
Other income			
- Miscellaneous Income		56	7
<b>Total Income (A)</b>		<b>1 00 17 389</b>	<b>65 36 714</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		14 38 432	18 76 449
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		13 191	9 600
NPS Trust fees		4 460	8 180
Custodian fees (including service Tax / GST)		4 134	2 864
Depository and settlement charges (including service Tax / GST)		1 526	1 300
CRA Fees		21 419	16 698
Less: Amount recoverable on sale of units on account of CRA Charges		( 21 419)	( 16 698)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>14 61 743</b>	<b>18 98 393</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>85 55 646</b>	<b>46 38 321</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		3 24 200	17 27 826
Less: Amount transferred (to) / from General Reserve		( 88 79 846)	( 63 66 147)
<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 MKPS & Associates (FRN 302014E)  
Chartered Accountants




Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955

Date: 09/08/2019  
Place: Mumbai



For UTI Retirement Solutions Ltd.

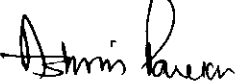
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261

Date: 25/04/2019  
Place: Mumbai



  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust



Ashvin Parekh  
(Chairman, NPS Trust Board)

Date:  
Place: Mumbai



  
Munish Malik  
(Chief Executive Officer, NPS Trust)

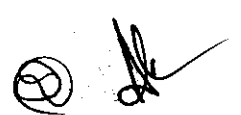
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	4 61 17 250	3 31 34 013
Add :Units issued during the year	2 50 84 430	2 09 94 465
Less: Units redeemed during the year	(1 50 70 111)	( 80 11 228)
<b>Outstanding at the end of the year</b>	<b>5 61 31 569</b>	<b>4 61 17 250</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	46 11 725	33 13 401
Add :Units issued during the year	25 08 443	20 99 447
Less: Units redeemed during the year	( 15 07 011)	( 8 01 123)
<b>Outstanding units at the end of the year</b>	<b>56 13 157</b>	<b>46 11 725</b>

Schedule 2	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	3 18 88 778	1 76 28 870
Add: Premium on Units issued	2 94 65 512	2 29 98 577
Less: Premium on Units redeemed	(1 77 09 157)	( 87 38 669)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>4 36 45 133</b>	<b>3 18 88 778</b>
<b>General Reserve</b>		
Opening Balance	1 97 79 608	1 34 13 461
Add: Transfer from Revenue Account	88 79 846	63 66 147
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>2 86 59 454</b>	<b>1 97 79 608</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	9 40 538	26 68 364
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	( 3 24 200)	( 17 27 826)
Closing Balance	<b>6 16 338</b>	<b>9 40 538</b>
<b>Total</b>	<b>7 29 20 925</b>	<b>5 26 08 924</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	5 484	6 227
Book Overdraft	-	-
Redemption Payable	3 01 247	2 46 698
TDS Payable	157	117
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 06 888</b>	<b>2 53 042</b>





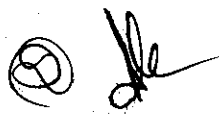
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	12 31 78 089	9 33 46 090
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	13 32 931	18 82 462
Non Convertible Debentures classified as NPA	3 00 000	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>12 48 11 020</b>	<b>9 52 28 552</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	96 609	-
<b>Total</b>	<b>96 609</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	1 73 916	3 79 070
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	51 359	-
Less: Provision for interest on Non-Performing Investment	( 51 359)	-
Outstanding and accrued income	42 77 837	33 71 594
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>44 51 753</b>	<b>37 50 664</b>





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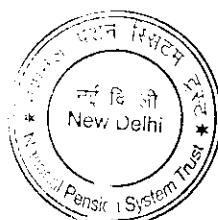
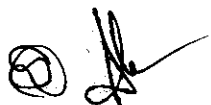
## NATIONAL PENSION SYSTEM TRUST

### 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, 2019

##### A. Background

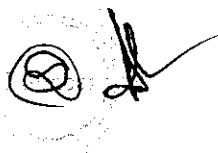
1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare 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.
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, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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:



000110

- (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.



000111

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.

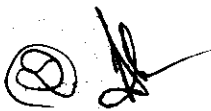
For sub - category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.

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.





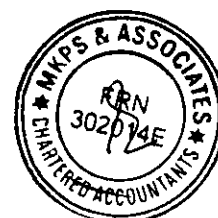
Provided further that investment under this category shall be made only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999.

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. **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



000113

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.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

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

- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.



000114

- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

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

d. **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.

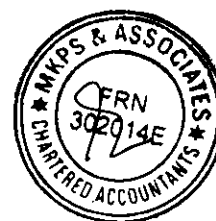
4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised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

5. **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.

**6. 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.

7. **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.



8. **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. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-19
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise 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.	Impact was not ascertainable.

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 5613153.6040 and the balance 3.1475 have been identified as residual units with CRA

F. **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%	₹ 13,191	₹ 9,600

\* excluding service tax / GST

\*\* including service tax / GST



G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 4,460	₹ 8,180

H. **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	%
59.00	527.50	55.62	497.24	39.07	477.13	35.76	436.70

I. 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, 2019 is ₹ 5.76 Crores. (Previous Year ₹ 3.99 Crore).

J. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 22.9910	₹ 21.4076

K. **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	%
1.00	8.96	0.15	1.31	0.65	7.98	0.19	2.32



**L. 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, 2019 is as under:

Particular	As on 31st March, 2019	As on 31st March, 2018
Book Value (₹)	4,00,000	NIL
Provision for NPA (₹)	0	NIL
Carrying Cost (₹)	4,00,000	NIL
Market Value (₹)***	-	-
% of NPA (Gross) to AUM	0.31	NIL

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

**M. 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

**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	₹ 55.54	₹ 0.13	₹ 35.78	₹ 0.19

**O. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2019 is given in Annexure A.

**P. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure B.**



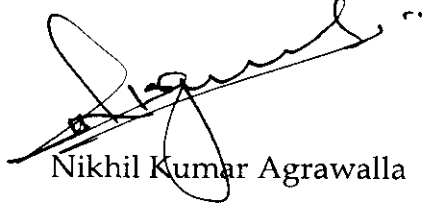
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Q. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For MKPS & Associates

Chartered Accountants

Firm Registration No.: 302014E



Nikhil Kumar Agrawalla

Partner

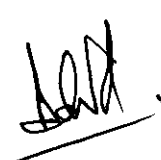
M. No. - 157955

Date : 09/08/2019

Place : Mumbai



For UTI Retirement Solutions Ltd.



Balram P Bhagat

Chief Executive Officer

& Whole Time Director

DIN : 01846261

Date : 25/04/2019

Place : Mumbai



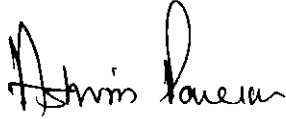
Intaiyazur Rahman

Chairman & Director

DIN: 01818725

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For and on behalf of NPS Trust

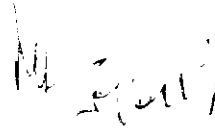


Ashvin Parekh

(Chairman, NPS Trust Board)

Date :

Place : Mumbai



Munish Malik

(Chief Executive Officer, NPS Trust)



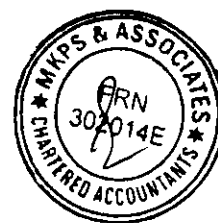
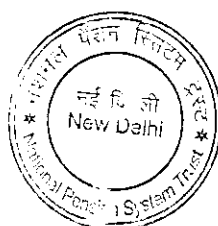
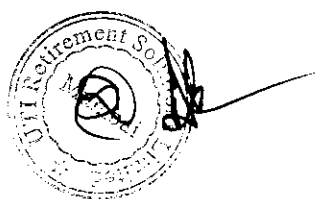
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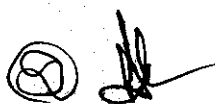
**ANNEXURE A**

**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>				
ICICI BANK LTD.	80,000	8,005,422	6.20	6.48
AXIS BANK LTD.	70,000	7,172,655	5.56	5.81
HDFC BANK LTD.	70,000	6,886,341	5.34	5.58
KOTAK MAHINDRA BANK LTD.	10,000	1,027,325	0.80	0.83
IDFC BANK LIMITED	10,000	1,013,796	0.79	0.82
		<b>24,105,539</b>	<b>18.69</b>	<b>19.52</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	110,000	11,187,867	8.67	9.06
HOUSING AND URBAN DEVELOPMENT CORPORATION	30,000	3,089,744	2.39	2.50
PNB HOUSING FINANCE LIMITED	30,000	3,006,536	2.33	2.43
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	10,000	1,009,385	0.78	0.82
		<b>18,293,532</b>	<b>14.17</b>	<b>14.81</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	90,000	9,012,491	6.98	7.30
POWER FINANCE CORPORATION LTD.	80,000	7,957,090	6.17	6.44
		<b>16,969,581</b>	<b>13.15</b>	<b>13.74</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	110,000	11,112,082	8.61	9.00
EXPORT IMPORT BANK OF INDIA	30,000	2,957,123	2.29	2.39
		<b>14,069,205</b>	<b>10.90</b>	<b>11.39</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	110,000	10,973,702	8.50	8.89
		<b>10,973,702</b>	<b>8.50</b>	<b>8.89</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	80,000	7,986,659	6.19	6.47
		<b>7,986,659</b>	<b>6.19</b>	<b>6.47</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, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	21.4122	20.1784
b	High	22.9910	21.4076
c	Low	20.9590	20.0753
d	End	22.9910	21.4076
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	1290.52	987.26
b	Average (AAUM)	1118.48	818.88
3	Gross income as % of AAUM	8.96%	7.98%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0208%	0.0268%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	Net Income as a percentage of AAUM	7.65%	5.66%
6	Portfolio turnover ratio	0.89%	0.00%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	7.40%	6.11%
	Last 3 Years	8.36%	8.75%
	Last 5 Years	9.74%	9.40%
	Since Launch of the scheme (December 14, 2009)	9.37%	9.61%
<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)			




000122



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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449

000123

**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme G - Tier I (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

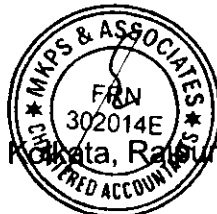
**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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

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 Andheri Kurla Road, Chakala, Beside Gurudwara,  
 Andheri (East), Mumbai - 400 093, India.



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E-mail: mumbai@mkps.in | web : www.mkps.in

000124

Also At : New Delhi, Bangalore, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

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

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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.



000125

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
2. We further Certify, read along with observations in our Detailed Audit Report, that:
  - a) Investments has been valued in accordance with the guidelines issued by the Authority, except for the variance set out in Significant Accounting Policies in Note 7D.
  - b) The system, procedures and safeguards followed by the PF are adequate;



- c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.
- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**

**Date:  
Place: Mumbai**

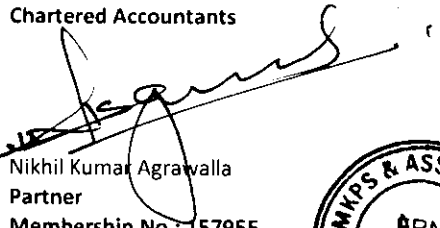


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	148 72 99 058	102 40 43 986
Reserves and Surplus	2	180 92 84 667	106 65 27 809
Current Liabilities and Provisions	3	4 18 25 230	23 04 910
<b>Total</b>		<b>333 84 08 955</b>	<b>209 28 76 705</b>
<b>Assets</b>			
Investments	4	325 48 23 838	205 82 84 518
Deposits	5	2 05 20 290	-
Other Current Assets	6	6 30 64 827	3 45 92 187
<b>Total</b>		<b>333 84 08 955</b>	<b>209 28 76 705</b>
(a) Net assets as per Balance Sheets		329 65 83 725	209 05 71 795
(b) Number of units outstanding		14 87 29 906	10 24 04 399
Significant Accounting Policies and Notes to Accounts	7		

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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955


Date: 09/08/2019  
Place: Mumbai



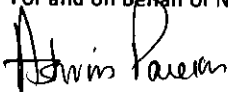
For UTI Retirement Solutions Ltd.

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

Date: 25/04/2019  
Place: Mumbai

  
Inayatuzur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)

Date:  
Place: Mumbai



  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000128



**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, 2019**

Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		-	-
Interest		18 89 37 621	11 35 61 077
Profit on sale/redemption of investments		40 11 543	52 67 859
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		3 74 38 319	36 11 980
Other income			
- Miscellaneous Income		877	156
<b>Total Income (A)</b>		<b>23 03 88 360</b>	<b>12 24 41 072</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		54 99 118	5 76 47 117
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		2 94 744	1 83 269
NPS Trust fees		97 678	1 56 161
Custodian fees (including service Tax / GST)		93 445	54 732
Depository and settlement charges (including service Tax / GST)		29 223	21 931
CRA Fees		22 31 146	19 92 576
Less: Amount recoverable on sale of units on account of CRA Charges		( 22 31 146)	( 19 92 576)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>60 14 208</b>	<b>5 80 63 210</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>22 43 74 152</b>	<b>6 43 77 862</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 81 75 679)	3 02 71 615
Less: Amount transferred (to) / from General Reserve		(21 61 98 473)	(9 46 49 477)
<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 MKPS & Associates (FRN 302014E)  
Chartered Accountants

Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955



Date: 09/08/2019  
Place: Mumbai

For UTI Retirement Solutions Ltd.

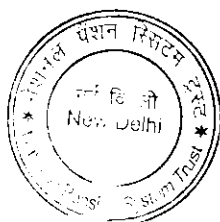
Barram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261

Date: 25/04/2019  
Place: Mumbai

Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

Munish Malik  
(Chief Executive Officer, NPS Trust)

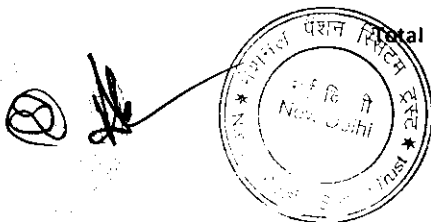
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	102 40 43 986	62 73 83 134
Add :Units issued during the year	53 95 75 050	44 39 70 239
Less: Units redeemed during the year	(7 63 19 978)	(4 73 09 387)
<b>Outstanding at the end of the year</b>	<b>148 72 99 058</b>	<b>102 40 43 986</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	10 24 04 399	6 27 38 314
Add :Units issued during the year	5 39 57 505	4 43 97 024
Less: Units redeemed during the year	( 76 31 998)	( 47 30 939)
<b>Outstanding units at the end of the year</b>	<b>14 87 29 906</b>	<b>10 24 04 399</b>

Schedule 2	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	81 91 27 210	41 85 92 061
Add: Premium on Units issued	60 12 75 627	44 86 20 296
Less: Premium on Units redeemed	(8 28 92 921)	(4 80 85 147)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>133 75 09 916</b>	<b>81 91 27 210</b>
<b>General Reserve</b>		
Opening Balance	24 74 00 599	15 27 51 122
Add: Transfer from Revenue Account	21 61 98 473	9 46 49 477
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>46 35 99 072</b>	<b>24 74 00 599</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	-	3 02 71 615
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	81 75 679	(3 02 71 615)
Closing Balance	<b>81 75 679</b>	<b>-</b>
<b>Total</b>	<b>180 92 84 667</b>	<b>106 65 27 809</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	1 31 801	1 20 766
Book Overdraft	-	-
Redemption Payable	16 78 377	21 81 684
TDS Payable	3 858	2 460
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>4 18 25 230</b>	<b>23 04 910</b>



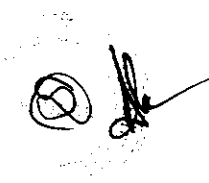
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<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)	319 17 88 628	201 40 32 360
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	6 30 35 210	4 42 52 158
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>325 48 23 838</b>	<b>205 82 84 518</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	2 05 20 290	-
<b>Total</b>	<b>2 05 20 290</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	94 86 181	21 88 786
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	5 15 78 087	3 24 03 401
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	20 00 559	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>6 30 64 827</b>	<b>3 45 92 187</b>





**000131**

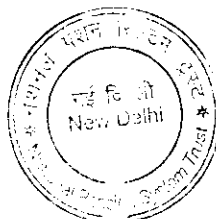
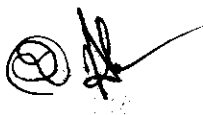
## NATIONAL PENSION SYSTEM TRUST

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, 2019

#### 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 Net 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.
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.

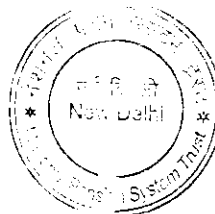
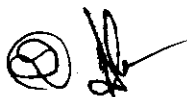


000132

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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.

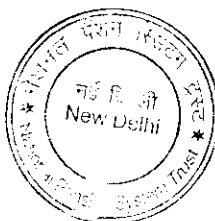
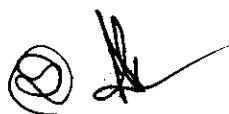
**B. Scheme particulars**

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. **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.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - 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. Debentures, corporate bonds, commercial papers and certificate of deposits:**

i. 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.

ii. 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.

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

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

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

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

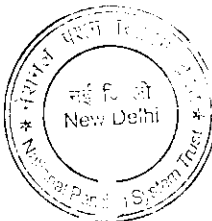
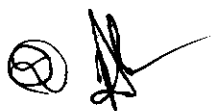
vii. Partly paid bonds are valued at cost till it is fully paid.

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



000135

- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. **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.
4. 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.
5. **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.
6. **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.
7. **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. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-19
1. Valuation of G-sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	Impact was not ascertainable.

- 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 148729870.4411 and the balance 35.3004 have been identified as residual units with CRA

Total 0.0033 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.

- F. **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%	₹ 2,94,744	₹ 1,83,269

\* excluding service tax / GST

\*\* including service tax / GST

- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 97,678	₹ 1,56,161



000137

H. **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	%
1,049.98	419.91	931.87	372.67	702.15	448.99	611.31	390.90

I. 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, 2019 is ₹ NIL. (Previous Year ₹ NIL)

J. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 22.1649	₹ 20.4148

K. **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	%
23.04	9.21	0.60	0.24	12.24	7.83	5.81	3.71


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

M. **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	₹ 930.72	₹ 6.30	₹ 600.44	₹ 4.43





000138

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

₹ in Crores

Particular	Current Year	Previous Year
Net Unrealized Gains / (Losses)	₹ 3.19	₹ (5.40)

O. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure A.

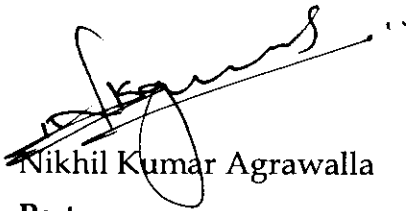
P. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For MKPS & Associates

For UTI Retirement Solutions Ltd.

Chartered Accountants

Firm Registration No.: 302014E

  
Nikhil Kumar Agrawalla  
Partner

M. No. - 157955

Date: 09/08/19

Place : Mumbai



  
Bartram P Bhagat

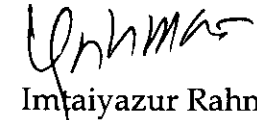
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

Date : 25/04/2019


Place : Mumbai



  
Imtaiyazur Rahman

Chairman & Director  
DIN: 01818725

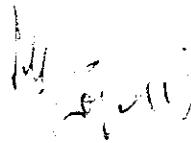
For and on behalf of NPS Trust

  
Ashvin Parekh

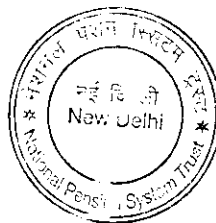
(Chairman, NPS Trust Board)

Date :

Place : Mumbai

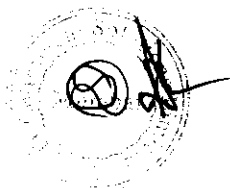
  
Munish Malik

(Chief Executive Officer, NPS Trust)



000139

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, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	20.4191	19.5933
b	High	22.1673	20.6435
c	Low	19.8903	19.4233
d	End	22.1649	20.4148
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	32,965.83	20,905.72
b	Average (AAUM)	25,005.22	15,638.43
3	Gross income as % of AAUM	9.21%	7.83%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0205%	0.0266%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	Net Income as a percentage of AAUM	8.97%	4.12%
6	Portfolio turnover ratio	1.10%	7.11%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	8.57%	4.21%
	Last 3 Years	8.10%	7.62%
	Last 5 Years	10.20%	8.61%
	Since Launch of the scheme (May 21, 2009)	8.40%	8.38%
<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+ cumulative return)^n) - 1 (where n=365/no. of days)		



000140



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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449

000141

**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Scheme G - Tier II (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

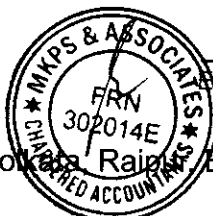
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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

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 Andheri Kurla Road, Chakala, Beside Gurudwara,  
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mail: mumbai@mkps.in | web: www.mkps.in



000142

Also At : New Delhi, Bangalore, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

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

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

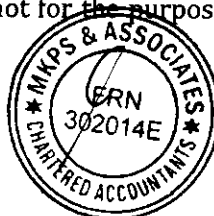
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.



000143

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
2. We further Certify, read along with observations in our Detailed Audit Report, that:
  - a) Investments has been valued in accordance with the guidelines issued by the Authority, *except for the variance set out in Significant Accounting Policies in Note 7D.*
  - b) The system, procedures and safeguards followed by the PF are adequate;
  - c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.



000144

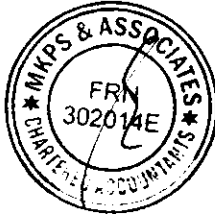


- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**

**Date:  
Place: Mumbai**



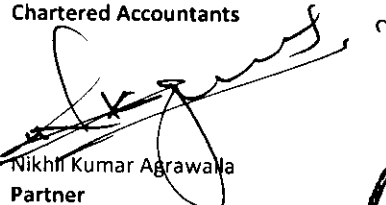
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	7 39 05 983	5 63 86 666
Reserves and Surplus	2	9 45 71 746	6 17 20 193
Current Liabilities and Provisions	3	13 99 563	4 16 375
	<b>Total</b>	<b>16 98 77 292</b>	<b>11 85 23 234</b>
<b>Assets</b>			
Investments	4	16 63 74 538	11 63 56 969
Deposits	5	2 66 139	-
Other Current Assets	6	32 36 615	21 66 265
	<b>Total</b>	<b>16 98 77 292</b>	<b>11 85 23 234</b>
(a) Net assets as per Balance Sheets		16 84 77 729	11 81 06 859
(b) Number of units outstanding		73 90 598	56 38 667
Significant Accounting Policies and Notes to Accounts	7		

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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawala  
Partner  
Membership No.: 157955



Date: 09/08/2019  
Place: Mumbai

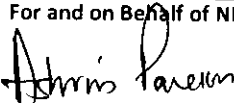
For UTI Retirement Solutions Ltd.

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

  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000146

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019**

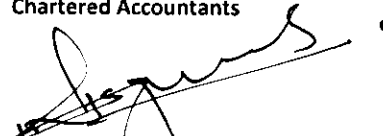
Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		-	-
Interest		1 05 74 574	73 01 807
Profit on sale/redemption of investments		2 16 350	2 64 718
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		21 29 788	87 577
Other income			
- Miscellaneous Income		21	11
<b>Total Income (A)</b>		<b>1 29 20 733</b>	<b>76 54 113</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		1 71 876	37 17 947
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		16 430	11 712
NPS Trust fees		5 506	9 979
Custodian fees (including service Tax / GST)		5 135	3 458
Depository and settlement charges (including service Tax / GST)		1 941	2 253
CRA Fees		26 801	19 747
Less: Amount recoverable on sale of units on account of CRA Charges		( 26 801)	( 19 747)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>2 00 888</b>	<b>37 45 349</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>1 27 19 845</b>	<b>39 08 764</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 9 05 118)	25 77 576
Less: Amount transferred (to) / from General Reserve		(1 18 14 727)	( 64 86 340)
<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 MKPS & Associates (FRN 302014E)**  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955



Date: 09/08/2019  
Place: Mumbai

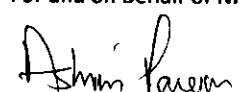
**For UTI Retirement Solutions Ltd.**

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

  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

**For and on Behalf of NPS Trust**

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000147

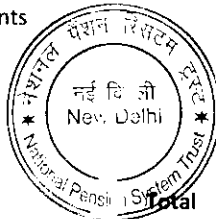
**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	5 63 86 666	4 06 32 143
Add :Units issued during the year	3 25 33 921	2 48 00 981
Less: Units redeemed during the year	(1 50 14 604)	( 90 46 458)
<b>Outstanding at the end of the year</b>	<b>7 39 05 983</b>	<b>5 63 86 666</b>

<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	56 38 667	40 63 213
Add :Units issued during the year	32 53 392	24 80 100
Less: Units redeemed during the year	( 15 01 461)	( 9 04 646)
<b>Outstanding units at the end of the year</b>	<b>73 90 598</b>	<b>56 38 667</b>

Schedule 2	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	4 09 53 337	2 40 45 402
Add: Premium on Units issued	3 73 25 404	2 65 89 049
Less: Premium on Units redeemed	(1 71 93 696)	( 96 81 114)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>6 10 85 045</b>	<b>4 09 53 337</b>
<b>General Reserve</b>		
Opening Balance	2 07 66 856	1 42 80 516
Add: Transfer from Revenue Account	1 18 14 727	64 86 340
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>3 25 81 583</b>	<b>2 07 66 856</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	-	25 77 576
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	9 05 118	( 25 77 576)
Closing Balance	<b>9 05 118</b>	-
<b>Total</b>	<b>9 45 71 746</b>	<b>6 17 20 193</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	7 056	7 452
Book Overdraft	-	-
Redemption Payable	3 66 377	4 08 778
TDS Payable	202	145
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>13 99 563</b>	<b>4 16 375</b>



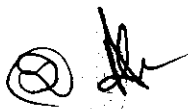
**000148**

**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, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<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)	16 35 35 549	11 53 73 907
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	28 38 989	9 83 062
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>16 63 74 538</b>	<b>11 63 56 969</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	2 66 139	-
<b>Total</b>	<b>2 66 139</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	3 48 637	1 21 323
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	28 36 682	20 44 942
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	51 296	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>32 36 615</b>	<b>21 66 265</b>





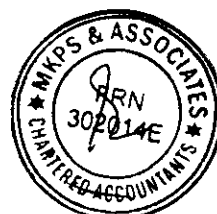
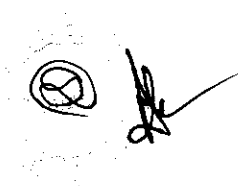
## NATIONAL PENSION SYSTEM TRUST

### 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, 2019

##### A. Background

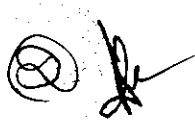
1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare 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.
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, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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.

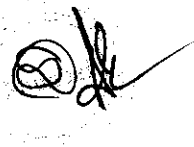
**B. Scheme particulars**

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. **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.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - 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.





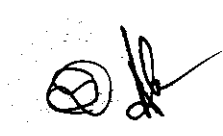
iii. **Right entitlement:**

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

- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

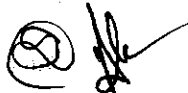
c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.



000153

- d. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from AMFI website.
4. **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.
5. **Income Recognition:**
- Dividend income is accrued on the "ex-dividend" date.
  - 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.
  - Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - Interest on Fixed Deposits is accounted on accrual basis.
6. **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.
7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after.
- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-19
1. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	Impact was not ascertainable.




000154

- 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 7390594.7605 and the balance 3.5196 have been identified as residual units with CRA

- F. **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%	₹ 16,430	₹ 11,712

\* excluding service tax / GST

\*\* including service tax / GST

- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 5,506	₹ 9,979

- H. **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	%
71.82	515.44	67.01	480.91	44.16	442.11	40.18	402.25

- I. 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, 2019 is ₹ NIL. (Previous Year ₹ NIL)




000155

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 22.7962	₹ 20.9458

K. 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	%
1.29	9.27	0.02	0.14	0.77	7.66	0.37	3.75

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

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

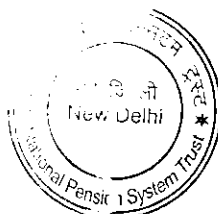
₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 66.93	₹ 0.28	₹ 39.64	₹ 0.10

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

₹ in Crores

Particular	Current Year	Previous Year
Net Unrealized Gains/(Losses)	₹ 0.20	₹ (0.36)



000156

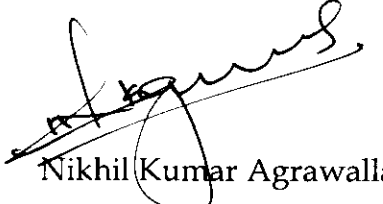
O. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure A.

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

For MKPS & Associates

Chartered Accountants

Firm Registration No.: 302014E

  
Nikhil Kumar Agrawalla  
Partner


M. No. - 157955

Date : 09/08/2019

Place : Mumbai



For UTI Retirement Solutions Ltd.

  
Balram P Bhagat

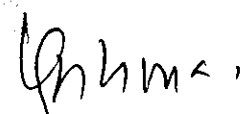
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

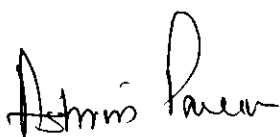
Date : 25/04/2019

Place : Mumbai



  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

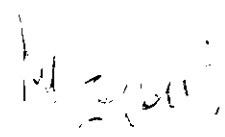
For and on behalf of NPS Trust

  
Ashvin Parekh

(Chairman, NPS Trust Board)

Date :

Place : Mumbai

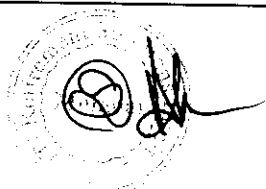
  
Munish Malik

(Chief Executive Officer, NPS Trust)



000157

Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme G - Tier II			
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	20.9502	20.0709
b	High	22.8004	21.1848
c	Low	20.4068	19.8835
d	End	22.7962	20.9458
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	1,684.77	1,181.07
b	Average (AAUM)	1,393.42	998.92
3	Gross income as % of AAUM	9.27%	7.66%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0208%	0.0274%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	Net Income as a percentage of AAUM	9.12%	3.91%
6	Portfolio turnover ratio	1.75%	4.26%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	8.83%	4.38%
	Last 3 Years	8.35%	7.82%
	Last 5 Years	10.39%	8.65%
	Since Launch of the scheme (December 14, 2009)	9.27%	9.32%
<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)			



000158



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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' – Block  
Bandra – Kurla Complex  
Bandra (East)  
Mumbai – 400051  
Phone: - 66786731 / 6449

000159

**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme A - Tier I (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note no. K of financial statements, wherein it is mentioned that although the objective of the Scheme is to invest in Alternate Investment Assets (AIA), however keeping in mind the interest of subscribers and very less options in AIA, the amount received under the scheme has been invested in liquid funds.

Our report is not modified in respect of this matter.

**Information Other than the Financial Statements and Auditor's Report Thereon**

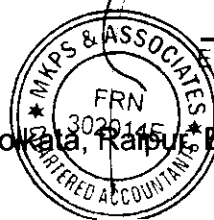
The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-

403, 4th Floor, A Wing, Grace Chambers,

Andheri Kurla Road, Chakala, Beside Gurudwara,  
 Andheri (East), Mumbai - 400 093, India.

Phone: +91 22 2687 8861 / 63

E-mail: [mumbai@mkps.in](mailto:mumbai@mkps.in) | web: [www.mkps.in](http://www.mkps.in)



300160



19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting” but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM’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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

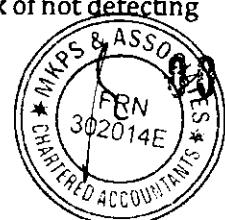
Those charged with governance are responsible for overseeing the scheme’s financial reporting process.

### **Auditor’s Responsibilities 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



000161

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.



- d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
2. We further Certify, *read along with observations in our Detailed Audit Report*, that:
- a) Investments have been valued in accordance with the guidelines issued by the Authority.
  - b) The system, procedures and safeguards followed by the PF are adequate;
  - c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.
  - d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
  - e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
  - f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**



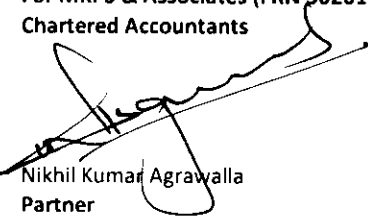
**Date:  
Place: Mumbai**

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	96 56 744	34 20 117
Reserves and Surplus	2	17 57 130	3 36 818
Current Liabilities and Provisions	3	19 511	481
<b>Total</b>		<b>1 14 33 385</b>	<b>37 57 416</b>
<b>Assets</b>			
Investments	4	1 11 44 791	37 57 415
Deposits	5	1 58 387	-
Other Current Assets	6	1 30 207	1
<b>Total</b>		<b>1 14 33 385</b>	<b>37 57 416</b>
(a) Net assets as per Balance Sheets		1 14 13 874	37 56 935
(b) Number of units outstanding		9 65 674	3 42 012
Significant Accounting Policies and Notes to Accounts	7		

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


**For MKPS & Associates (FRN 302014E)**  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955



Date: 09/08/2019  
Place: Mumbai

**For UTI Retirement Solutions Ltd.**

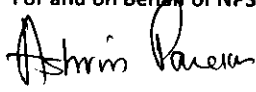
  
Balam P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261



  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

**For and on Behalf of NPS Trust**

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000164

**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, 2019**

Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		-	-
Interest		30	-
Profit on sale/redemption of investments		2 61 943	65 138
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		2 04 478	30 700
Other income			
- Miscellaneous Income		14	7
<b>Total Income (A)</b>		<b>4 66 465</b>	<b>95 845</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 service Tax / GST)		743	165
NPS Trust fees		230	140
Custodian fees (including service Tax / GST)		-	-
Depository and settlement charges (including service Tax / GST)		-	-
CRA Fees		12 011	3 626
Less: Amount recoverable on sale of units on account of CRA Charges		( 12 011)	( 3 626)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>973</b>	<b>305</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>4 65 492</b>	<b>95 540</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 2 04 478)	( 30 700)
Less: Amount transferred (to) / from General Reserve		( 2 61 014)	( 64 840)
<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 MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955

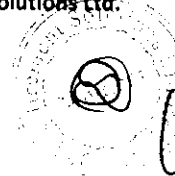
Date: 09/08/2019  
Place: Mumbai




For UTI Retirement Solutions Ltd.

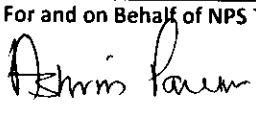
  
Behram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261

Date: 25/04/2019  
Place: Mumbai



  
Intaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)

Date:  
Place: Mumbai



  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000165

**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, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	34 20 117	5 38 720
Add :Units issued during the year	71 57 859	30 41 468
Less: Units redeemed during the year	( 9 21 232)	( 1 60 071)
<b>Outstanding at the end of the year</b>	<b>96 56 744</b>	<b>34 20 117</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	3 42 012	53 872
Add :Units issued during the year	7 15 786	3 04 147
Less: Units redeemed during the year	( 92 124)	( 16 007)
<b>Outstanding units at the end of the year</b>	<b>9 65 674</b>	<b>3 42 012</b>
<b>Schedule 2</b>		
	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	2 36 404	10 386
Add: Premium on Units issued	10 80 905	2 38 929
Less: Premium on Units redeemed	( 1 26 085)	( 12 911)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>11 91 224</b>	<b>2 36 404</b>
<b>General Reserve</b>		
Opening Balance	69 713	4 873
Add: Transfer from Revenue Account	2 61 014	64 840
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>3 30 727</b>	<b>69 713</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	30 701	1
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	2 04 478	30 700
Closing Balance	<b>2 35 179</b>	<b>30 701</b>
<b>Total</b>	<b>17 57 130</b>	<b>3 36 818</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	262	127
Book Overdraft	-	-
Redemption Payable	19 240	351
TDS Payable	9	3
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>19 511</b>	<b>481</b>



000166

**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, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<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 11 44 791	37 57 415
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>1 11 44 791</b>	<b>37 57 415</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	1 58 387	-
<b>Total</b>	<b>1 58 387</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	1 30 177	1
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 30 207</b>	<b>1</b>



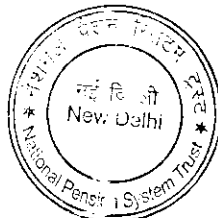
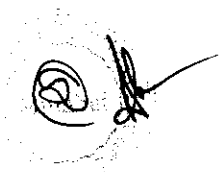
## NATIONAL PENSION SYSTEM TRUST

### 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, 2019

##### 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 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.
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.

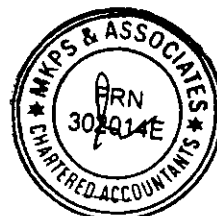
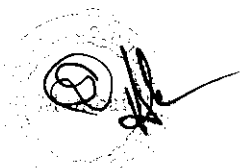




3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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

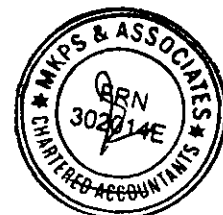
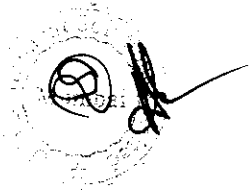
1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> October, 2016.
3. **Investment pattern to be followed as per PFRDA Regulations:**
  - a. Commercial mortgage based securities 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.



000169

### 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. **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.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - 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.



000170

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

i. 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.

ii. 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.

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

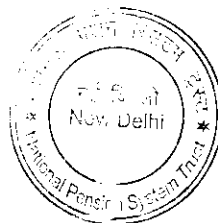
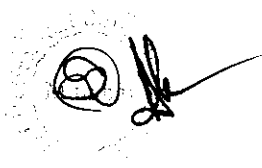
iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

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

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

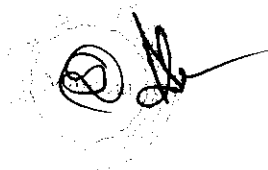
vii. Partly paid bonds are valued at cost till it is fully paid.

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



000171

- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. **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.
4. 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.
5. **Income Recognition:**
- Dividend income is accrued on the "ex-dividend" date.
  - 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.
  - Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - Interest on Fixed Deposits is accounted on accrual basis.
6. **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.
7. **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.



000172

- 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 965673.8151 and the balance 0.4599 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%	₹ 743	₹ 165

\* excluding service tax / GST

\*\* including service tax / GST

- F. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 230	₹ 140

- 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	%
2.71	428.53	2.00	316.54	7.09	5019.09	6.78	4799.06

- 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, 2019 is ₹ NIL. (Previous Year ₹ NIL).



000173

I. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 11.8195	₹ 10.9848

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	
₹	%	₹	%	₹	%	₹	%
4,66,466.00	7.38	973.00	0.02	95,844.50	6.79	304.78	0.02

K. 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 19 is only Rs 1.14 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.

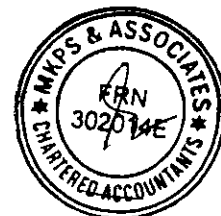
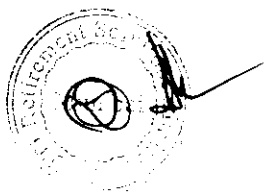
L. Investment in associates and group companies: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 2.69	₹ 1.11	₹ 7.09	₹ 0.38

M. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq$  5% as on 31st March, 2019 is Nil.

N. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure A.

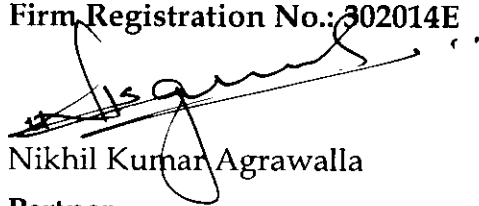


000174

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

**For MKPS & Associates**  
**Chartered Accountants**

**Firm Registration No.: 302014E**


  
**Nikhil Kumar Agrawalla**  
**Partner**

**M. No. - 157955**

**Date : 09/08/2019**  
**Place : Mumbai**

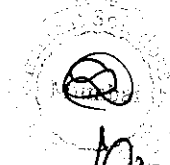


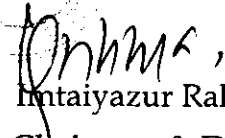
**For UTI Retirement Solutions Ltd.**

  
**Balram P Bhagat**  
**Chief Executive Officer**  
**& Whole Time Director**

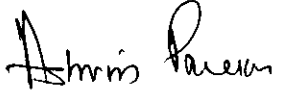
**DIN : 01846261**

**Date : 25/04/2019**  
**Place : Mumbai**



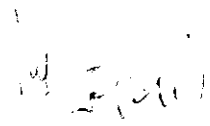
  
**Intaiyazur Rahman**  
**Chairman & Director**  
**DIN: 01818725**

**For and on behalf of NPS Trust**

  
**Ashvin Parekh**  
**(Chairman, NPS Trust Board)**

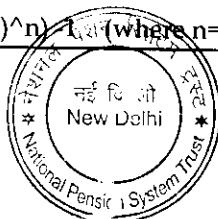
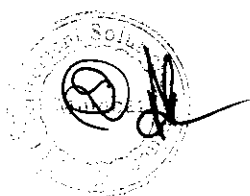
**Date :**  
**Place : Mumbai**



  
**Munish Malik**  
**(Chief Executive Officer, NPS Trust)**

000175

Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme A - Tier I			
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	10.9868	10.2859
b	High	11.8195	10.9848
c	Low	10.9868	10.2859
d	End	11.8195	10.9848
2	Closing Assets Under Management ( Rs. In Lakhs)		
a	End	114.13	37.56
b	Average (AAUM)	63.21	14.12
3	Gross income as % of AAUM	7.38%	6.79%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0153%	0.0216%
b	Management Fee as % of AAUM	0.0117%	0.0117%
5	Net Income as a percentage of AAUM	7.36%	6.76%
6	Portfolio turnover ratio	-	-
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	7.60%	6.82%
	Last 3 Years	NA	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme (October 14, 2016)	7.00%	6.59%
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 = $((1 + \text{cumulative return})^n)^{1/n}$ (where n=365/no. of days)		



000176





Retirement Solutions

## UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449

000177

**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust – A/c UTI Retirement Solutions Scheme A – Tier II (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 – 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018–19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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

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 Andheri (East), Mumbai - 400 093, India.



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000178

Also At : New Delhi, Bangalore, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

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

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.



000179

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 PFM to cease to continue as a going concern.

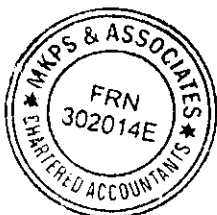
Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, 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 those charged with governance 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**

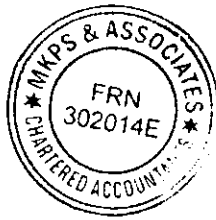
1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
2. We further Certify, *read along with observations in our Detailed Audit Report*, that:
  - a) Investments have been valued in accordance with the guidelines issued by the Authority.
  - b) The system, procedures and safeguards followed by the PF are adequate;



- c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.
- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**



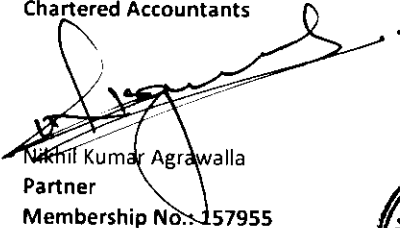
**Date:  
Place: Mumbai**

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	-	-
Reserves and Surplus	2	-	-
Current Liabilities and Provisions	3	-	27
<b>Total</b>		<b>-</b>	<b>27</b>
<b>Assets</b>			
Investments	4	-	-
Deposits	5	-	-
Other Current Assets	6	-	27
<b>Total</b>		<b>-</b>	<b>27</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 MKPS & Associates (FRN 302014E)**  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955

Date: 09/08/2019  
Place: Mumbai

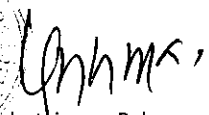


**For UTI Retirement Solutions Ltd.**

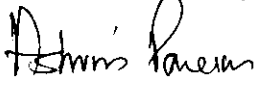
  
Bakam P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261

Date: 25/04/2019  
Place: Mumbai



  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

**For and on Behalf of NPS Trust**

  
Ashvin Parekh  
(Chairman, NPS Trust Board)

Date:  
Place: Mumbai



  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000182

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019**

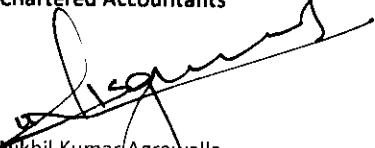
Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		-	-
Interest		-	-
Profit on sale/redemption of investments		-	794
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		-	-
Other income		-	-
- Miscellaneous Income		-	-
<b>Total Income (A)</b>		<b>-</b>	<b>794</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		-	1
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		-	1
NPS Trust fees		-	1
Custodian fees (including service Tax / GST)		-	-
Depository and settlement charges (including service Tax / GST)		-	-
CRA Fees		-	29
Less: Amount recoverable on sale of units on account of CRA Charges		-	( 29)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>-</b>	<b>3</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>-</b>	<b>791</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		-	1
Less: Amount transferred (to) / from General Reserve		-	( 792)
<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 MKPS & Associates (FRN 302014E)**  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955



Date: 09/08/2019  
Place: Mumbai

**For UTI Retirement Solutions Ltd.**

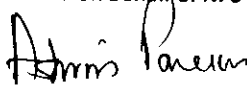
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261



  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

**For and on Behalf of NPS Trust**

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

**000183**

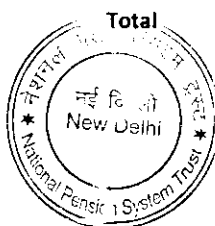
**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	-	40 236
Add :Units issued during the year	-	36 964
Less: Units redeemed during the year	-	( 77 200)
<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	-	4 024
Add :Units issued during the year	-	3 696
Less: Units redeemed during the year	-	( 7 720)
<b>Outstanding units at the end of the year</b>	<b>-</b>	<b>-</b>

Schedule 2	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	-	659
Add: Premium on Units issued	-	1 302
Less: Premium on Units redeemed	-	( 3 250)
Add: Transfer from General Reserve	-	1 289
Closing Balance	-	-
<b>General Reserve</b>		
Opening Balance	-	497
Add: Transfer from Revenue Account	-	792
Less: Transfer to Unit Premium Reserve	-	( 1 289)
Closing Balance	-	-
<b>Unrealised Appreciation Account</b>		
Opening Balance	-	1
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	-	( 1)
Closing Balance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	-	27
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	-	-
<b>Total</b>	<b>-</b>	<b>27</b>





**000184**



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<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 securitie	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	-	-
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	-	27
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>	<b>-</b>	<b>27</b>



## NATIONAL PENSION SYSTEM TRUST

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

#### SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2019

##### 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 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.
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.



000186

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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

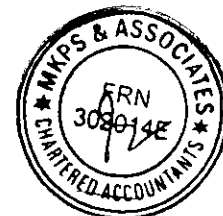
1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 20<sup>th</sup> October, 2016.
3. **Investment pattern to be followed as per PFRDA Regulations:**
  - a. Commercial mortgage based securities 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.



000187

### C. Significant Accounting Policies

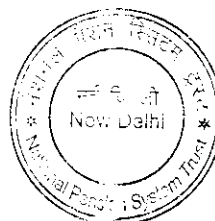
1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (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. **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.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - 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.

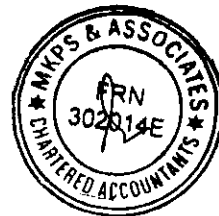
**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.



000189

- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. **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.
4. 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.
5. **Income Recognition:**
- Dividend income is accrued on the "ex-dividend" date.
  - 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.
  - Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - Interest on Fixed Deposits is accounted on accrual basis.
6. **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.
7. **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.

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%	₹ NIL	₹ 1

\* excluding service tax / GST

\*\* including service tax / GST

F. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ NIL	₹ 1

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	%
NIL	NIL	NIL	NIL	0.29	25,869.71	0.29	26,248.75

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, 2019 is ₹ NIL. (Previous Year ₹ NIL)



I. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 10.0000	₹ 10.0000

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	
₹	%	₹	%	₹	%	₹	%
NIL	NIL	NIL	NIL	793.63	7.13	3.14	0.03

K. 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

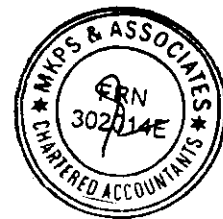
L. Investment in associates and group companies: The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ NIL	₹ NIL	₹ 0.29	₹ NIL

M. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31st March, 2019 is Nil.

N. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure A.

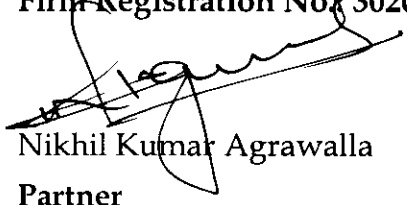




O. The Previous Year figures are regrouped/ reclassified, wherever necessary.

For MKPS & Associates  
Chartered Accountants

Firm Registration No. 302014E

  
Nikhil Kumar Agrawalla  
Partner


M. No. - 157955

Date :

Place : Mumbai



For UTI Retirement Solutions Ltd.

  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

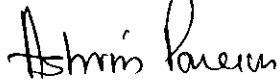
Date : 25/04/2019

Place : Mumbai



Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on behalf of NPS Trust




Ashvin Parekh

(Chairman, NPS Trust Board)

Date :

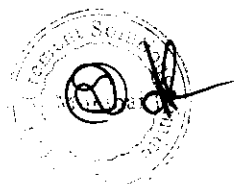
Place : Mumbai

  
Munish Malik

(Chief Executive Officer, NPS Trust)



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme A - Tier II			
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	10.0000	10.2903
b	High	10.0000	10.4456
c	Low	10.0000	10.0000
d	End	10.0000	10.0000
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	0.00	0.00
b	Average (AAUM)	0.00	0.11
3	Gross income as % of AAUM	-	-
4	Expense Ratio		
a	Total Expense as % of AAUM	-	-
b	Management Fee as % of AAUM	-	-
5	Net Income as a percentage of AAUM		
6	Portfolio turnover ratio	-	-
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	NA	NA
	Last 3 Years	NA	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme (October 20, 2016)	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 = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			



000194



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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' – Block  
Bandra – Kurla Complex  
Bandra (East)  
Mumbai – 400051  
Phone: - 66786731 / 6449

**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme - Central Govt. (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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

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 Andheri Kurla Road, Chakala, Beside Gurudwara,  
 Andheri (East), Mumbai - 400 093, India.



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Also At : New Delhi, Bangalore, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

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

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

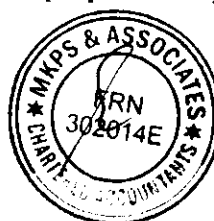
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.



000197

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
2. We further Certify, read along with observations in our Detailed Audit Report, that:
  - a) Investments has been valued in accordance with the guidelines issued by the Authority, *except for the variance set out in Significant Accounting Policies in Note 7D.*
  - b) The system, procedures and safeguards followed by the PF are adequate;
  - c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.



- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**

**Date:  
Place: Mumbai**

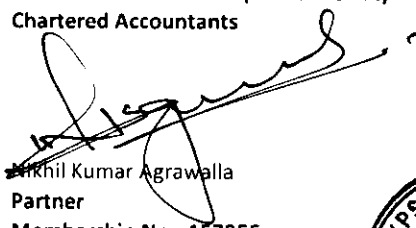


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	13267 21 80 555	11196 17 63 154
Reserves and Surplus	2	23294 06 49 019	17156 29 38 028
Current Liabilities and Provisions	3	5 13 27 860	4 85 11 642
<b>Total</b>		<b>36566 41 57 434</b>	<b>28357 32 12 824</b>
<b>Assets</b>			
Investments	4	35627 64 01 227	27689 45 43 970
Deposits	5	128 18 51 360	-
Other Current Assets	6	810 59 04 847	667 86 68 854
<b>Total</b>		<b>36566 41 57 434</b>	<b>28357 32 12 824</b>
(a) Net assets as per Balance Sheets		36561 28 29 574	28352 47 01 182
(b) Number of units outstanding		1326 72 18 055	1119 61 76 315
Significant Accounting Policies and Notes to Accounts	7		

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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

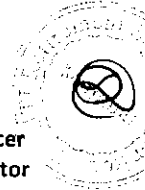
  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955

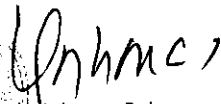


Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.

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



  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
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, 2019**

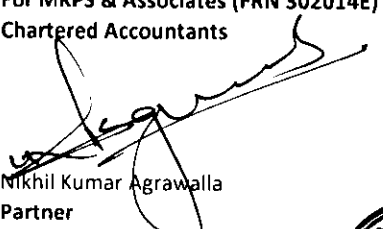
Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		54 78 82 639	45 44 63 605
Interest		2124 63 74 817	1673 19 18 120
Profit on sale/redemption of investments		76 89 18 052	133 27 51 315
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1064 52 42 210	450 46 97 398
Other income			
- Miscellaneous Income		20 577	340
<b>Total Income (A)</b>		<b>3320 84 38 295</b>	<b>2302 38 30 778</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		435 82 16 131	805 28 99 588
Loss on sale/redemption of investments		22 29 34 496	12 75 19 555
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		3 83 08 091	3 06 78 755
NPS Trust fees		1 27 16 301	2 56 36 178
Custodian fees (including service Tax / GST)		1 13 77 941	84 31 023
Depository and settlement charges (including service Tax / GST)		23 14 891	18 14 417
CRA Fees		3 00 941	52 765
Less: Amount recoverable on sale of units on account of CRA Charges		( 3 00 941)	( 52 765)
Provision for Non-Performing Assets		9 50 14 479	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>474 08 82 330</b>	<b>824 69 79 516</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>2846 75 55 965</b>	<b>1477 68 51 262</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(628 70 26 079)	354 82 02 190
Less: Amount transferred (to) / from General Reserve		(2218 05 29 886)	(1832 50 53 452)
<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 MKPS & Associates (FRN 302014E)  
Chartered Accountants

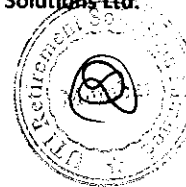
  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955

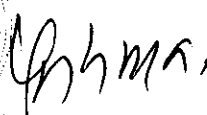


Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.

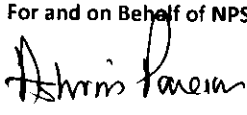
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261



  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

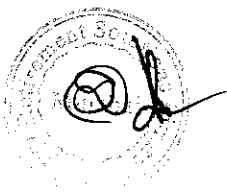
  
Munish Malik  
(Chief Executive Officer, NPS Trust)

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**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, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	11196 17 63 154	9352 72 51 372
Add :Units issued during the year	2153 36 29 253	1900 95 96 292
Less: Units redeemed during the year	(82 32 11 852)	(57 50 84 510)
<b>Outstanding at the end of the year</b>	<b>13267 21 80 555</b>	<b>11196 17 63 154</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	1119 61 76 315	935 27 25 137
Add :Units issued during the year	215 33 62 925	190 09 59 629
Less: Units redeemed during the year	(8 23 21 185)	(5 75 08 451)
<b>Outstanding units at the end of the year</b>	<b>1326 72 18 055</b>	<b>1119 61 76 315</b>
<b>Schedule 2</b>		
	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	9332 23 18 226	6592 04 85 381
Add: Premium on Units issued	3422 64 35 847	2826 13 92 064
Less: Premium on Units redeemed	(131 62 80 821)	(85 95 59 219)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>12623 24 73 252</b>	<b>9332 23 18 226</b>
<b>General Reserve</b>		
Opening Balance	6612 87 98 923	4780 37 45 471
Add: Transfer from Revenue Account	2218 05 29 886	1832 50 53 452
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>8830 93 28 809</b>	<b>6612 87 98 923</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	1211 18 20 879	1566 00 23 069
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	628 70 26 079	(354 82 02 190)
Closing Balance	<b>1839 88 46 958</b>	<b>1211 18 20 879</b>
<b>Total</b>	<b>23294 06 49 019</b>	<b>17156 29 38 028</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	1 52 49 818	1 78 68 424
Book Overdraft	-	-
Redemption Payable	3 56 52 591	3 03 16 485
TDS Payable	4 25 451	3 26 733
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>5 13 27 860</b>	<b>4 85 11 642</b>



Total



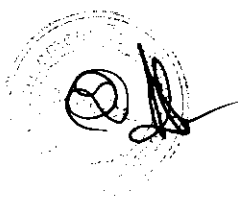
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	5074 91 41 109	3845 55 92 956
Preference Shares	-	1 28 14 923
Debentures and Bonds Listed/Awaiting Listing	12725 19 05 120	9786 61 22 544
Central and State Government Securities (including treasury bills)	17724 25 33 864	13908 62 03 614
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	57 03 35 613	147 38 09 933
Non Convertible Debentures classified as NPA	48 75 00 000	-
Less: Provision on Non performing investment	(2 50 14 479)	-
<b>Total</b>	<b>35627 64 01 227</b>	<b>27689 45 43 970</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	128 18 51 360	-
<b>Total</b>	<b>128 18 51 360</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	10 56 93 905	31 79 47 955
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	9 38 75 795	-
Less: Provision for interest on Non-Performing Investment	(9 38 75 795)	-
Outstanding and accrued income	782 06 15 801	635 69 81 363
Dividend Receivable	95 95 141	37 39 536
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	5 00 00 000	-
Redemption receivable on Non performing Investment	19 00 00 000	-
Less: Provision for Non Performing Investment	(7 00 00 000)	-
<b>Total</b>	<b>810 59 04 847</b>	<b>667 86 68 854</b>



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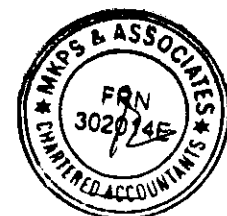
## NATIONAL PENSION SYSTEM TRUST

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, 2019

#### 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.
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.



000204

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. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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

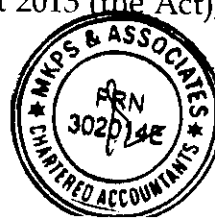
1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 1<sup>st</sup> April, 2008.
3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(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



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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. 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.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

**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.



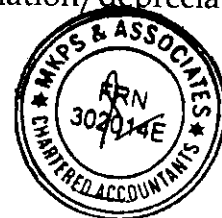
**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

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

**d. 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.

4. 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.



000207

**5. 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'

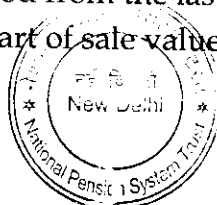
- i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

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.

**6. Income Recognition:**

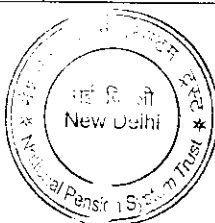
- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase 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.
7. **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.
8. **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. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-19
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise 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.	Impact was not ascertainable.
<b>2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).</b>	They are being valued at average of price given by CRISIL and ICRA	Impact was not ascertainable.
<b>3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.</b>	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.
<b>4. Front-end discount should be reduced from the Cost of investments.</b>	Front-end discount is taken to Income.	Impact was not ascertainable.



000209

- 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 13267210629.7249 and the balance 7425.6424 have been identified as residual units with CRA

Total 5363367.5208 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 0.0571 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.

- F. **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%	₹ 3,83,08,091	₹ 3,06,78,755

\* excluding service tax / GST

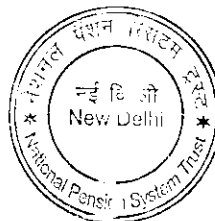
\*\* including service tax / GST

- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 1,27,16,301	₹ 2,56,36,178

- H. **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	%
49,143.61	154.33	41,224.86	129.46	39,155.95	152.66	32,710.22	127.53



000210

I. 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, 2019 is ₹ 5,660.90 Crores. (Previous Year ₹ 4,641.05 Crores)

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 27.5576	₹ 25.3233

K. 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	%
3,320.84	10.43	474.09	1.49	2,302.38	8.98	824.70	3.22

L. Non-Performing Assets:

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 31st March, 2019 is as under:

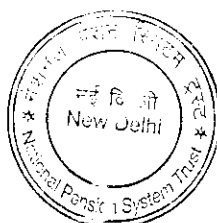
₹ in Crores

Particular	As on 31st March, 2019	As on 31st March, 2018
Book Value	83.91	NIL
Provision for NPA	9.50	NIL
Carrying Cost	74.41	NIL
Market Value***	-	-
% of NPA (Gross) to AUM	0.23	NIL

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

M. Contingent liability as on 31st March, 2019 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).

N. Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 31st March, 2019 is ₹ NIL. (Previous Year ₹ Nil)



000211

O. 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.

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

₹ in Crores

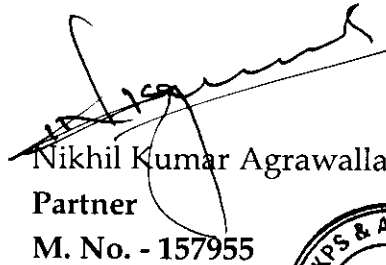
Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 40,748.40	₹ 37.01	₹ 32,075.73	₹ 147.38

Q. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2019 is given in Annexure A.

R. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure B.

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

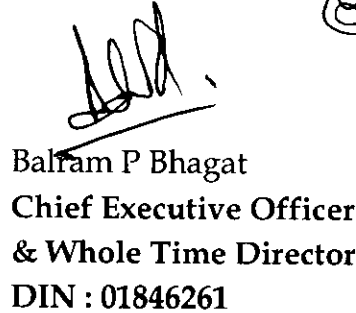
For MKPS & Associates  
Chartered Accountants  
Firm Registration No.: 302014E

  
Nikhil Kumar Agrawalla  
Partner  
M. No. - 157955

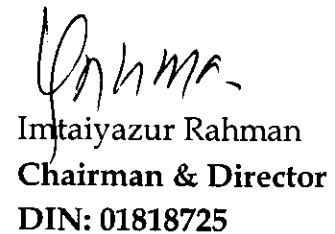
Date :  
Place : Mumbai



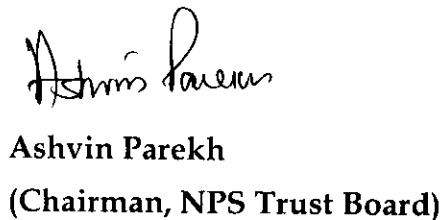
For UTI Retirement Solutions Ltd.

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

Date : 25/04/2019  
Place : Mumbai

  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)

Date :  
Place : Mumbai



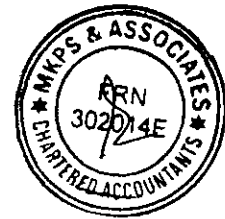
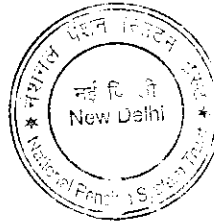
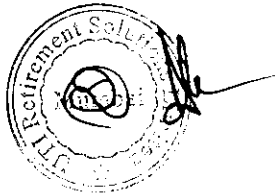
  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000212

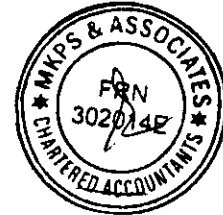
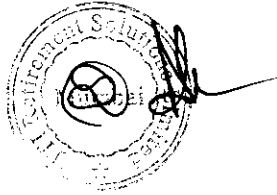
**ANNEXURE A**

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

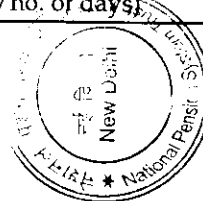
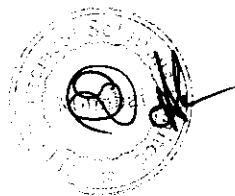
Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	7,860,982	3,148,323,291	0.86	6.20
HDFC BANK LTD.	1,178,198	2,732,123,342	0.75	5.38
AXIS BANK LTD.	2,455,745	1,908,727,801	0.52	3.76
STATE BANK OF INDIA	5,762,913	1,848,454,345	0.51	3.64
INDUSIND BANK LTD.	848,359	1,510,079,020	0.41	2.98
KOTAK MAHINDRA BANK LTD.	1,093,195	1,458,868,728	0.40	2.87
YES BANK	2,006,225	551,912,498	0.15	1.09
BANK OF BARODA	2,893,135	372,201,818	0.10	0.73
FEDERAL BANK LTD.	1,678,050	161,847,923	0.04	0.32
IDFC BANK LIMITED	2,386,722	132,463,071	0.04	0.26
PUNJAB NATIONAL BANK	619,890	59,199,495	0.02	0.12
		<b>13,884,201,332</b>	<b>3.80</b>	<b>27.35</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	3,411,156	2,537,388,391	0.69	5.00
TATA CONSULTANCY SERVICES LTD.	955,034	1,911,643,806	0.52	3.77
TECH MAHINDRA LTD.	590,300	458,013,770	0.13	0.90
HCL TECHNOLOGIES LIMITED	286,741	311,816,500	0.09	0.61
WIPRO LTD.	431,481	109,941,359	0.03	0.22
		<b>5,328,803,826</b>	<b>1.46</b>	<b>10.50</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.	2,409,239	3,284,395,067	0.90	6.47
INDIAN OIL CORPORATION LTD.	1,882,968	306,641,339	0.08	0.60
CASTROL INDIA LTD.	1,356,000	225,638,400	0.06	0.44
BHARAT PETROLEUM CORPORATION LTD.	381,327	151,596,549	0.04	0.30
		<b>3,968,271,355</b>	<b>1.08</b>	<b>7.81</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	991,217	1,950,962,860	0.53	3.84
LIC HOUSING FINANCE LTD.	1,352,787	719,953,241	0.20	1.42
		<b>2,670,916,101</b>	<b>0.73</b>	<b>5.26</b>
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	8,603,333	2,557,340,734	0.70	5.04
		<b>2,557,340,734</b>	<b>0.70</b>	<b>5.04</b>



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.	90,350,000	9,151,273,960	2.50	7.16
ICICI BANK LTD.	88,050,000	8,739,312,942	2.39	6.84
HDFC BANK LTD.	34,910,000	3,445,097,633	0.94	2.70
IDFC BANK LIMITED	13,770,000	1,391,183,015	0.38	1.09
YES BANK	6,500,000	636,523,100	0.17	0.50
KOTAK MAHINDRA BANK LTD.	4,490,000	461,268,925	0.13	0.36
PUNJAB NATIONAL BANK	1,000,000	96,158,900	0.03	0.08
ING VYSYA BANK LTD.	800,000	85,601,600	0.02	0.07
		<b>24,006,420,075</b>	<b>6.56</b>	<b>18.80</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	110,740,000	11,123,033,729	3.04	8.71
POWER FINANCE CORPORATION LTD.	98,840,000	9,863,604,303	2.70	7.72
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	1,500,000	142,685,550	0.04	0.11
CAN FIN HOMES LTD.	400,000	40,049,680	0.01	0.03
		<b>21,169,373,262</b>	<b>5.79</b>	<b>16.57</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	106,600,000	10,884,100,521	2.98	8.52
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	56,180,000	5,760,545,328	1.58	4.51
HOUSING AND URBAN DEVELOPMENT CORPORATION	16,000,000	1,643,100,100	0.45	1.29
PNB HOUSING FINANCE LIMITED	10,220,000	1,017,439,527	0.28	0.80
		<b>19,305,185,476.00</b>	<b>5.29</b>	<b>15.12</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	77,870,000	7,843,092,503	2.15	6.14
EXPORT IMPORT BANK OF INDIA	27,780,000	2,751,059,358	0.75	2.15
		<b>10,594,151,861.00</b>	<b>2.90</b>	<b>8.29</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	87,230,000	8,679,967,689	2.37	6.80
		<b>8,679,967,689</b>	<b>2.37</b>	<b>6.80</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, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	25.3280	23.8382
b	High	27.5576	25.4608
c	Low	25.0085	23.7043
d	End	27.5576	25.3233
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	3,656,128.29	2,835,247.01
b	Average (AAUM)	3,184,269.96	2,564,880.57
3	Gross income as % of AAUM	10.43%	8.98%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0203%	0.0260%
b	Management Fee as % of AAUM	0.0120%	0.0119%
5	Net Income as a percentage of AAUM	8.94%	5.76%
6	Portfolio turnover ratio	1.25%	2.42%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	8.82%	6.25%
	Last 3 Years	9.53%	8.64%
	Last 5 Years	10.58%	9.80%
	Since Launch of the scheme (1st April, 2008)	9.65%	9.73%
<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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449



**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme - State Govt. (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

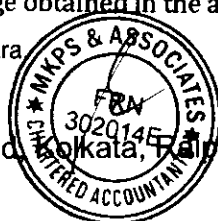
**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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

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 Andheri Kurla Road, Chakala, Beside Gurudwara,  
 Andheri (East), Mumbai - 400 093, India.



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000217

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

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.



000218

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
2. We further Certify, read along with observations in our Detailed Audit Report, that:
  - a) Investments has been valued in accordance with the guidelines issued by the Authority, *except for the variance set out in Significant Accounting Policies in Note 7D.*
  - b) The system, procedures and safeguards followed by the PF are adequate;
  - c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.



000219

- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**

**Date:  
Place: Mumbai**

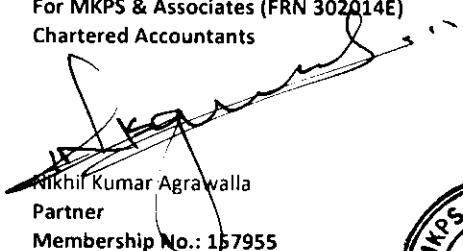


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	21576 80 51 525	17032 50 05 215
Reserves and Surplus	2	31362 18 77 553	21378 87 12 327
Current Liabilities and Provisions	3	5 02 91 348	5 48 13 920
<b>Total</b>		<b>52944 02 20 426</b>	<b>38416 85 31 462</b>
<b>Assets</b>			
Investments	4	51504 67 36 762	37564 92 95 599
Deposits	5	234 25 48 986	-
Other Current Assets	6	1205 09 34 678	851 92 35 863
<b>Total</b>		<b>52944 02 20 426</b>	<b>38416 85 31 462</b>
(a) Net assets as per Balance Sheets		52938 99 29 078	38411 37 17 542
(b) Number of units outstanding		2157 68 05 152	1703 25 00 521
Significant Accounting Policies and Notes to Accounts	7		

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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

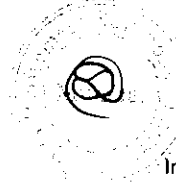
  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955

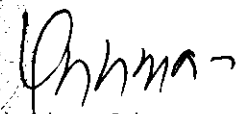


Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.

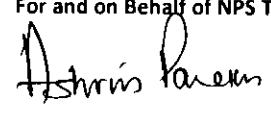
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261



  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

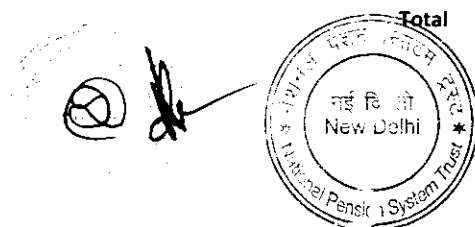
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	17032 50 05 215	13178 08 63 394
Add :Units issued during the year	4655 08 80 522	3944 05 01 025
Less: Units redeemed during the year	(110 78 34 212)	(89 63 59 204)
<b>Outstanding at the end of the year</b>	<b>21576 80 51 525</b>	<b>17032 50 05 215</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	1703 25 00 521	1317 80 86 340
Add :Units issued during the year	465 50 88 052	394 40 50 102
Less: Units redeemed during the year	(11 07 83 421)	(8 96 35 921)
<b>Outstanding units at the end of the year</b>	<b>2157 68 05 152</b>	<b>1703 25 00 521</b>

Schedule 2	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	13510 91 04 033	8822 02 38 037
Add: Premium on Units issued	6111 64 21 941	4798 19 32 141
Less: Premium on Units redeemed	(144 49 83 606)	(109 30 66 145)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>19478 05 42 368</b>	<b>13510 91 04 033</b>
<b>General Reserve</b>		
Opening Balance	6589 64 52 630	4268 66 79 053
Add: Transfer from Revenue Account	3101 13 65 818	2320 97 73 577
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>9690 78 18 448</b>	<b>6589 64 52 630</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	1278 31 55 664	1755 47 99 310
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	915 03 61 073	(477 16 43 646)
Closing Balance	<b>2193 35 16 737</b>	<b>1278 31 55 664</b>
<b>Total</b>	<b>31362 18 77 553</b>	<b>21378 87 12 327</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	2 17 31 233	2 38 42 216
Book Overdraft	-	-
Redemption Payable	2 79 49 780	3 05 30 104
TDS Payable	6 10 335	4 41 600
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>5 02 91 348</b>	<b>5 48 13 920</b>





**000223**

**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, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	7193 95 28 368	5149 52 62 721
Preference Shares	-	1 15 61 183
Debentures and Bonds Listed/Awaiting Listing	18595 56 04 566	13236 93 74 220
Central and State Government Securities (including treasury bills)	25453 64 69 524	18738 86 38 476
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	191 74 34 304	438 44 58 999
Non Convertible Debentures classified as NPA	76 02 00 000	-
Less: Provision on Non performing investment	(6 25 00 000)	-
<b>Total</b>	<b>51504 67 36 762</b>	<b>37564 92 95 599</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	234 25 48 986	-
<b>Total</b>	<b>234 25 48 986</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	100 09 20 757	39 03 22 046
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	13 57 14 133	-
Less: Provision for interest on Non-Performing Investment	(13 57 14 133)	-
Outstanding and accrued income	1076 30 01 178	812 38 81 675
Dividend Receivable	1 35 12 743	50 32 142
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	15 00 00 000	-
Redemption receivable on Non performing Investment	19 80 00 000	-
Less: Provision for Non Performing Investment	(7 45 00 000)	-
<b>Total</b>	<b>1205 09 34 678</b>	<b>851 92 35 863</b>



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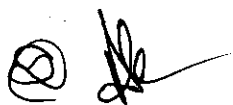
## NATIONAL PENSION SYSTEM TRUST

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, 2019

#### 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 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.
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, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation services provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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

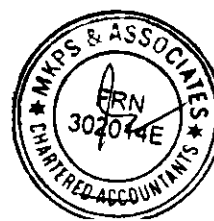
1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 25<sup>th</sup> June, 2009.
3. **Investment pattern to be followed as per the PFRDA Regulation:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(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

000226

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. 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.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

**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.



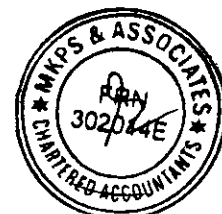
**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

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

**d. 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.

4. 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.



000228

## 5. 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.

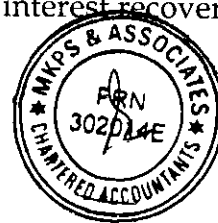
Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- 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.

## 6. 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.





000229

- 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.
7. **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.
8. **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. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-19
1. <b>Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise 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.	Impact was not ascertainable.
2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	Impact was not ascertainable.
3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.
4. Front-end discount should be reduced from the Cost of investments.	Front-end discount is taken to Income.	Impact was not ascertainable.



000230

- 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 21576791963.4088 and the balance 13189.0399 have been identified as residual units with CRA

Total 0.6355 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.

- F. **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%	₹ 5,33,03,654	₹ 3,99,68,155

\* excluding service tax / GST

\*\* including service tax / GST

- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 1,75,76,732	₹ 3,33,94,375

- H. **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	%
61,487.22	138.73	47,832.68	107.92	45,730.44	136.84	34,804.97	104.15

- I. 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, 2019 is ₹ 8,034.99 Crores. (Previous Year ₹ 5,943.60 Crores)



000231

**J. Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 24.5351	₹ 22.5518

**K. 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	%
4,641.27	10.47	625.09	1.41	2,919.31	8.74	1,075.50	3.22

**L. 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, 2019 is as under:

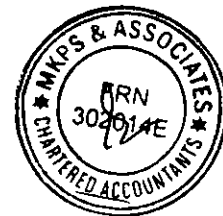
Particular	₹ in Crores	
	As on 31st March, 2019	As on 31st March, 2018
Book Value	121.06	NIL
Provision for NPA	13.70	NIL
Carrying Cost	107.36	NIL
Market Value***	-	-
% of NPA (Gross) to AUM	0.23	NIL

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

**M.** Contingent liability as on 31<sup>st</sup> March, 2019 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).

**N.** 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, 2019 is ₹ NIL. (Previous Year ₹ Nil)

**O.** 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.



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	₹ 47,165.28	₹ 161.17	₹ 34,335.14	₹ 438.45

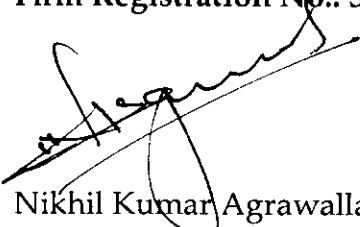
Q. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2019 is given in Annexure A.


R. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure B.


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

For MKPS & Associates  
Chartered Accountants  
Firm Registration No.: 302014E

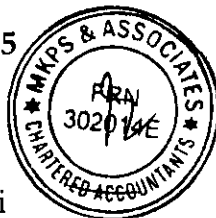
For UTI Retirement Solutions Ltd.

  
Nikhil Kumar Agrawalla  
Partner  
M. No. - 157955

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

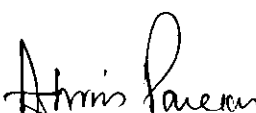
  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725


Date :  
Place : Mumbai

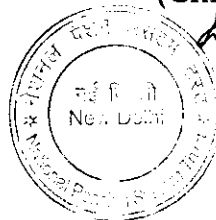


Date : 25/04/2019  
Place : Mumbai

For and on behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)  
Date :  
Place : Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)



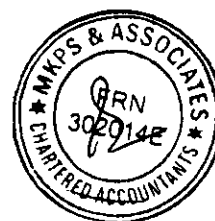
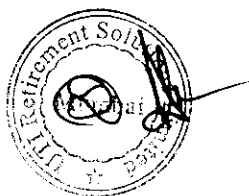
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**ANNEXURE A**

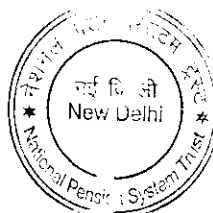
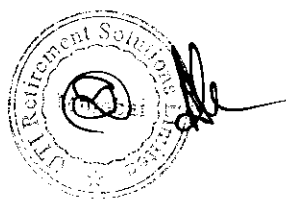
**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

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.	11,253,816	4,507,153,308	0.85	6.27
HDFC BANK LTD.	1,588,239	3,682,967,417	0.70	5.12
AXIS BANK LTD.	3,892,407	3,025,373,341	0.57	4.21
STATE BANK OF INDIA	8,721,564	2,797,441,653	0.53	3.89
INDUSIND BANK LTD.	1,282,233	2,282,374,740	0.43	3.17
KOTAK MAHINDRA BANK LTD.	1,604,408	2,141,082,476	0.40	2.98
YES BANK	3,443,125	947,203,688	0.18	1.32
BANK OF BARODA	4,241,911	545,721,850	0.10	0.76
FEDERAL BANK LTD.	1,836,800	177,159,360	0.03	0.25
IDFC BANK LIMITED	3,102,982	172,215,501	0.03	0.24
PUNJAB NATIONAL BANK	388,806	37,130,973	0.01	0.05
		<b>20,315,824,307</b>	<b>3.83</b>	<b>28.26</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	4,760,202	3,540,876,258	0.67	4.92
TATA CONSULTANCY SERVICES LTD.	1,328,498	2,659,188,022	0.50	3.70
TECH MAHINDRA LTD.	923,976	716,912,978	0.14	1.00
HCL TECHNOLOGIES LIMITED	275,823	299,943,721	0.06	0.42
WIPRO LTD.	478,892	122,021,682	0.02	0.17
		<b>7,338,942,661</b>	<b>1.39</b>	<b>10.21</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.	3,147,249	4,290,487,199	0.81	5.96
INDIAN OIL CORPORATION LTD.	2,659,200	433,050,720	0.08	0.60
CASTROL INDIA LTD.	1,696,574	282,309,914	0.05	0.39
BHARAT PETROLEUM CORPORATION LTD.	240,819	95,737,593	0.02	0.13
		<b>5,101,585,426</b>	<b>0.96</b>	<b>7.08</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	1,449,104	2,852,198,948	0.54	3.96
LIC HOUSING FINANCE LTD.	1,871,592	996,061,262	0.19	1.38
		<b>3,848,260,210</b>	<b>0.73</b>	<b>5.34</b>
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	12,817,688	3,810,057,758	0.72	5.30
		<b>3,810,057,758</b>	<b>0.72</b>	<b>5.30</b>

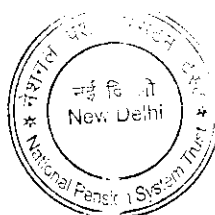
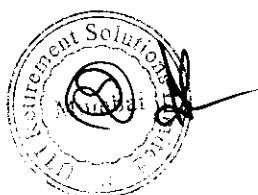


000234

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.	137,120,000	13,860,610,110	2.62	7.42
ICICI BANK LTD.	111,260,000	11,067,220,424	2.09	5.93
HDFC BANK LTD.	43,550,000	4,295,068,865	0.81	2.30
IDFC BANK LIMITED	19,960,000	2,014,565,700	0.38	1.08
KOTAK MAHINDRA BANK LTD.	9,410,000	965,557,075	0.18	0.52
YES BANK	7,700,000	741,628,620	0.14	0.40
PUNJAB NATIONAL BANK	900,000	86,543,010	0.02	0.05
ING VYSYA BANK LTD.	700,000	74,901,400	0.01	0.04
		<b>33,106,095,204</b>	<b>6.25</b>	<b>17.74</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	167,170,000	17,065,150,506	3.22	9.14
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	97,400,000	9,963,436,722	1.88	5.34
HOUSING AND URBAN DEVELOPMENT CORPORATION	26,500,000	2,721,282,550	0.51	1.46
PNB HOUSING FINANCE LIMITED	11,220,000	1,114,813,603	0.21	0.60
		<b>30,864,683,381</b>	<b>5.82</b>	<b>16.54</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	155,260,000	15,645,649,050	2.96	8.38
POWER FINANCE CORPORATION LTD.	142,710,000	14,216,086,079	2.69	7.61
CAN FIN HOMES LTD.	1,500,000	150,186,300	0.03	0.08
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	950,000	90,367,515	0.02	0.05
		<b>30,102,288,944</b>	<b>5.70</b>	<b>16.12</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	135,690,000	13,655,108,443	2.58	7.31
EXPORT IMPORT BANK OF INDIA	48,530,000	4,865,676,964	0.92	2.61
		<b>18,520,785,407</b>	<b>3.50</b>	<b>9.92</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	109,170,000	10,865,033,497	2.05	5.82
		<b>10,865,033,497</b>	<b>2.05</b>	<b>5.82</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, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	22.5559	21.2697
b	High	24.5351	22.6757
c	Low	22.2569	21.1431
d	End	24.5351	22.5518
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	5,293,899.29	3,841,137.18
b	Average (AAUM)	4,432,274.75	3,341,789.30
3	Gross income as % of AAUM	10.47%	8.74%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0203%	0.0260%
b	Management Fee as % of AAUM	0.0120%	0.0119%
5	Net Income as a percentage of AAUM	9.06%	5.52%
6	Portfolio turnover ratio	0.86%	1.81%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	8.79%	6.05%
	Last 3 Years	9.42%	8.57%
	Last 5 Years	10.57%	9.73%
	Since Launch of the scheme (June 25, 2009)	9.62%	9.72%
<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 = $((1 + \text{cumulative return})^n - 1) / n$ (where n=365/no. of days)			



000236



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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449

000237

**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust – A/c UTI Retirement Solutions NPS Lite Scheme – Govt. Pattern (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 – 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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

403, 4th Floor, A Wing, Grace Chambers,  
 Andheri Kurla Road, Chakala, Beside Gurudwara,  
 Andheri (East), Mumbai - 400 093, India.



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Also At : New Delhi, Bangalore, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

000238

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

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.



000239

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
2. We further Certify, read along with observations in our Detailed Audit Report, that:
  - a) Investments has been valued in accordance with the guidelines issued by the Authority, *except for the variance set out in Significant Accounting Policies in Note 7D.*
  - b) The system, procedures and safeguards followed by the PF are adequate;
  - c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.



- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**

**Date:  
Place: Mumbai**



**000241**

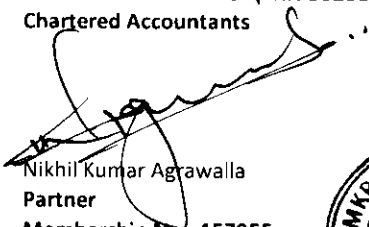


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	421 67 18 154	403 58 17 866
Reserves and Surplus	2	543 01 18 624	444 26 98 954
Current Liabilities and Provisions	3	15 42 543	23 64 386
<b>Total</b>		<b>964 83 79 321</b>	<b>848 08 81 206</b>
<b>Assets</b>			
Investments	4	944 91 99 761	830 29 20 698
Deposits	5	1 31 38 967	-
Other Current Assets	6	18 60 40 593	17 79 60 508
<b>Total</b>		<b>964 83 79 321</b>	<b>848 08 81 206</b>
(a) Net assets as per Balance Sheets		964 68 36 778	847 85 16 820
(b) Number of units outstanding		42 16 71 815	40 35 81 787
Significant Accounting Policies and Notes to Accounts	7		

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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955




Date:  
Place: Mumbai

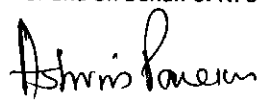
For UTI Retirement Solutions Ltd.

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

Date: 25/04/2019  
Place: Mumbai

  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)

Date:  
Place: Mumbai



  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000242

**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, 2019**

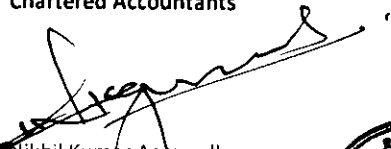
Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		1 60 55 555	1 57 06 124
Interest		59 39 98 391	52 69 23 519
Profit on sale/redemption of investments		3 23 03 887	6 29 71 509
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		26 53 26 004	15 33 80 081
Other income			
- Miscellaneous Income		487	940
<b>Total Income (A)</b>		<b>90 76 84 324</b>	<b>75 89 82 173</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		12 01 96 645	27 09 76 475
Loss on sale/redemption of investments		35 02 165	39 63 700
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		10 70 852	9 66 714
NPS Trust fees		3 59 958	8 08 061
Custodian fees (including service Tax / GST)		3 14 559	2 61 160
Depository and settlement charges (including service Tax / GST)		57 896	55 149
CRA Fees		2 45 53 221	2 90 20 511
Less: Amount recoverable on sale of units on account of CRA Charges		(2 45 53 221)	(2 90 20 511)
Provision for Non-Performing Assets		52 50 000	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>13 07 52 075</b>	<b>27 70 31 259</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>77 69 32 249</b>	<b>48 19 50 914</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(14 51 29 359)	11 75 96 394
Less: Amount transferred (to) / from General Reserve		(63 18 02 890)	(59 95 47 308)
<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 MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No. 157955



Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.

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

Date: 25/04/2019  
Place: Mumbai

  
Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

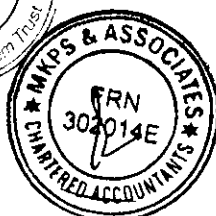
  
Munish Malik  
(Chief Executive Officer, NPS Trust)

**000243**

**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, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	403 58 17 866	377 48 59 300
Add :Units issued during the year	24 94 75 753	35 19 02 929
Less: Units redeemed during the year	(6 85 75 465)	(9 09 44 363)
<b>Outstanding at the end of the year</b>	<b>421 67 18 154</b>	<b>403 58 17 866</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	40 35 81 787	37 74 85 930
Add :Units issued during the year	2 49 47 575	3 51 90 293
Less: Units redeemed during the year	( 68 57 547)	( 90 94 436)
<b>Outstanding units at the end of the year</b>	<b>42 16 71 815</b>	<b>40 35 81 787</b>
<b>Schedule 2</b>		
	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	194 95 93 354	167 52 20 255
Add: Premium on Units issued	28 92 64 985	37 05 44 516
Less: Premium on Units redeemed	(7 87 77 564)	(9 61 71 417)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>216 00 80 775</b>	<b>194 95 93 354</b>
<b>General Reserve</b>		
Opening Balance	200 34 13 654	140 38 66 346
Add: Transfer from Revenue Account	63 18 02 890	59 95 47 308
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>263 52 16 544</b>	<b>200 34 13 654</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	48 96 91 946	60 72 88 340
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	14 51 29 359	(11 75 96 394)
Closing Balance	<b>63 48 21 305</b>	<b>48 96 91 946</b>
<b>Total</b>	<b>543 01 18 624</b>	<b>444 26 98 954</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	4 05 628	5 41 494
Book Overdraft	-	-
Redemption Payable	11 25 772	18 13 254
TDS Payable	11 143	9 638
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>15 42 543</b>	<b>23 64 386</b>



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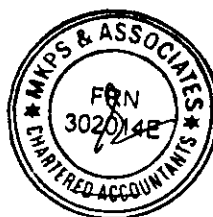
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	135 90 28 634	114 51 56 955
Preference Shares	-	7 20 300
Debentures and Bonds Listed/Awaiting Listing	326 98 81 067	287 92 44 852
Central and State Government Securities (including treasury bills)	469 36 84 792	410 17 78 083
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	9 73 55 268	17 60 20 508
Non Convertible Debentures classified as NPA	2 92 50 000	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>944 91 99 761</b>	<b>830 29 20 698</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	1 31 38 967	-
<b>Total</b>	<b>1 31 38 967</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	34 04 039	1 04 39 177
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	54 34 527	-
Less: Provision for interest on Non-Performing Investment	( 54 34 527)	-
Outstanding and accrued income	17 65 74 287	16 72 96 918
Dividend Receivable	3 12 267	2 24 413
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	1 10 00 000	-
Less: Provision for Non Performing Investment	( 52 50 000)	-
<b>Total</b>	<b>18 60 40 593</b>	<b>17 79 60 508</b>



000245


## 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, 2019

##### 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 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.
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.



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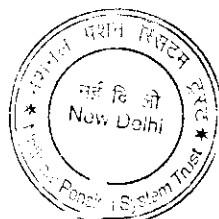
3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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:**

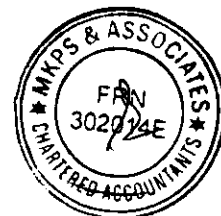
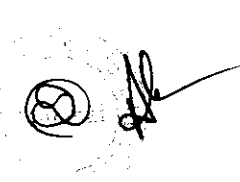
Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(iv)	Equity Shares	Upto 15

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

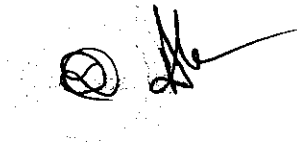
1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (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. **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.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - 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. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.





- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. **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.
4. 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.
5. **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:

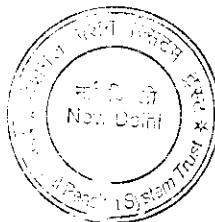
Period past due from the date of classification of assets as NPA	% Provision On Book Value
3 Months	50%
6 Months	75%
9 Months	100%

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'



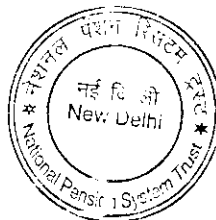
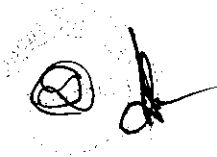
- i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

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.

**6. 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.
- 7. 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.
- 8. 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.

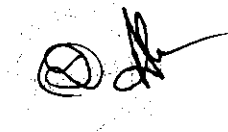


D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-19
<p><b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.</p>	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise 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.	Impact was not ascertainable.
<p><b>2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).</b></p>	They are being valued at average of price given by CRISIL and ICRA	Impact was not ascertainable.
<p><b>3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.</b></p>	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.

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 421670049.2934 and the balance 1766.0939 have been identified as residual units with CRA.




000252

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

Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 10,70,852	₹ 9,66,714

\* excluding service tax / GST

\*\* including service tax / GST

- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 3,59,958	₹ 8,08,061

- H. **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	%
3,012.39	338.54	2,895.71	325.43	1,815.91	224.68	1,710.82	211.68

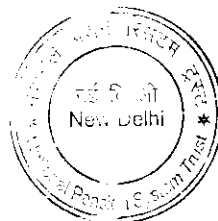
- I. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2019 is ₹ 175.43 Crores. (Previous Year ₹ 132.77 Crores)

- J. **Net Asset Value:**

Current Year		Previous Year	
As on 31st March, 2019		As on 31st March, 2018	
₹ 22.8775		₹ 21.0081	

- K. **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	%
90.77	10.20	13.08	1.47	75.90	9.39	27.70	3.43



000253

**L. 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, 2019 is as under:

₹ in Crores

Particular	As on 31st March, 2019	As on 31st March, 2018
Book Value	4.99	NIL
Provision for NPA	0.53	NIL
Carrying Cost	4.46	NIL
Market Value***	-	-
% of NPA (Gross) to AUM	0.52	NIL

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

M. Contingent liability as on 31<sup>st</sup> March, 2019 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).

N. 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, 2019 is ₹ NIL. (Previous Year ₹ Nil)

O. 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.

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	₹ 2,874.81	₹ 9.74	₹ 1,669.75	₹ 17.60

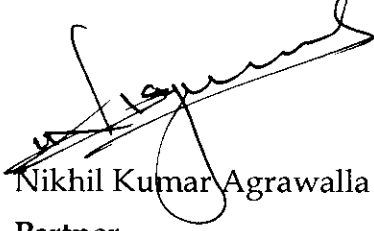
Q. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 31<sup>st</sup> March, 2019 is given in Annexure A.



R. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure B.

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

For MKPS & Associates  
Chartered Accountants  
Firm Registration No.: 302014E

  
Nikhil Kumar Agrawalla  
Partner

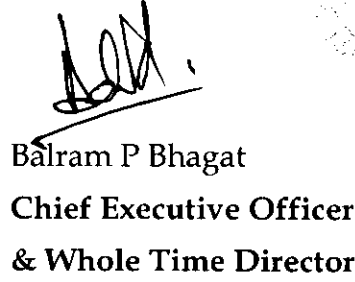
M. No. - 157955

Date :

Place : Mumbai



For UTI Retirement Solutions Ltd.

  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

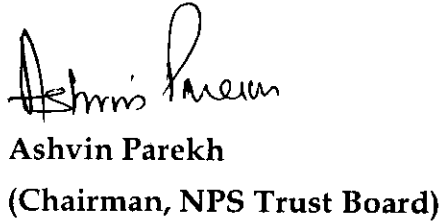
Date : 25/04/2019

Place : Mumbai



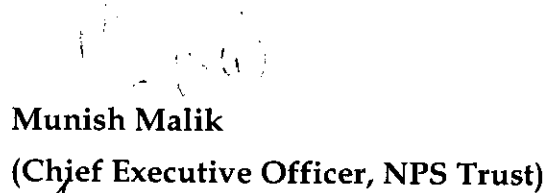
  
Intaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)

Date :

Place : Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

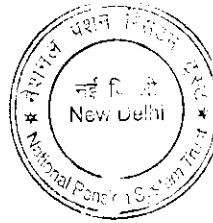
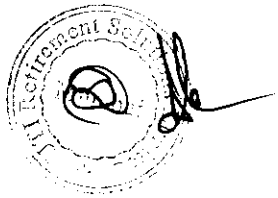


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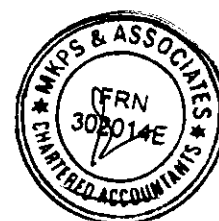
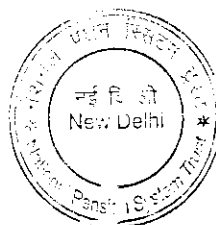
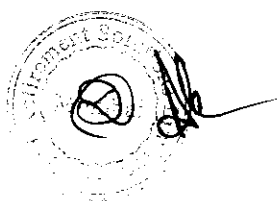
**ANNEXURE A**

**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.	231,452	92,696,526	0.96	6.82
HDFC BANK LTD.	34,854	80,822,941	0.84	5.95
AXIS BANK LTD.	67,005	52,079,636	0.54	3.83
STATE BANK OF INDIA	143,180	45,924,985	0.48	3.38
KOTAK MAHINDRA BANK LTD.	28,328	37,803,716	0.39	2.78
INDUSIND BANK LTD.	18,470	32,876,600	0.34	2.42
YES BANK	61,750	16,987,425	0.18	1.25
BANK OF BARODA	78,155	10,054,641	0.10	0.74
IDFC BANK LIMITED	81,204	4,506,822	0.05	0.33
FEDERAL BANK LTD.	45,000	4,340,250	0.04	0.32
PUNJAB NATIONAL BANK	20,125	1,921,938	0.02	0.14
		<b>380,015,480</b>	<b>3.94</b>	<b>27.96</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	73,330,221	0.76	5.40
TATA CONSULTANCY SERVICES LTD.	30,174	60,397,787	0.63	4.44
TECH MAHINDRA LTD.	21,640	16,790,476	0.17	1.24
		<b>150,518,484</b>	<b>1.56</b>	<b>11.08</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.	77,042	105,027,507	1.09	7.73
INDIAN OIL CORPORATION LTD.	44,000	7,165,400	0.07	0.53
		<b>112,192,907</b>	<b>1.16</b>	<b>8.26</b>
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	265,309	78,863,100	0.82	5.80
		<b>78,863,100</b>	<b>0.82</b>	<b>5.80</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	26,736	52,623,132	0.55	3.87
LIC HOUSING FINANCE LTD.	41,800	22,245,960	0.23	1.64
		<b>74,869,092</b>	<b>0.78</b>	<b>5.51</b>



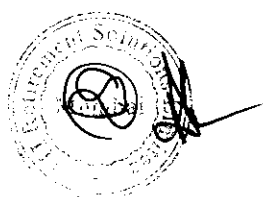
Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	2,560,000	258,175,792	2.68	7.83
POWER FINANCE CORPORATION LTD.	2,200,000	221,961,016	2.30	6.73
		<b>480,136,808</b>	<b>4.98</b>	<b>14.56</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	2,710,000	277,769,058	2.88	8.42
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	1,360,000	140,680,475	1.46	4.26
PNB HOUSING FINANCE LIMITED	320,000	31,805,173	0.33	0.96
		<b>450,254,706</b>	<b>4.67</b>	<b>13.64</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	2,410,000	243,012,354	2.52	7.37
EXPORT IMPORT BANK OF INDIA	1,970,000	201,162,214	2.09	6.10
		<b>444,174,568</b>	<b>4.61</b>	<b>13.47</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	3,230,000	323,946,879	3.36	9.82
		<b>323,946,879</b>	<b>3.36</b>	<b>9.82</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	1,120,000	114,198,512	1.18	3.46
AXIS BANK LTD.	770,000	78,840,780	0.82	2.39
IDFC BANK LIMITED	760,000	76,740,113	0.80	2.33
HDFC BANK LTD.	330,000	32,464,179	0.34	0.98
PUNJAB NATIONAL BANK	80,000	7,692,712	0.08	0.23
		<b>309,936,296</b>	<b>3.22</b>	<b>9.39</b>
<b>PASSENGER RAIL TRANSPORT</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	1,900,000	187,795,300	1.95	5.69
		<b>187,795,300</b>	<b>1.95</b>	<b>5.69</b>
<b>ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS</b>				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	1,670,000	171,310,007	1.78	5.19
		<b>171,310,007</b>	<b>1.78</b>	<b>5.19</b>



000257



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, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	21.0120	19.7692
b	High	22.8775	21.1323
c	Low	20.7585	19.6537
d	End	22.8775	21.0081
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	96,468.37	84,785.17
b	Average (AAUM)	88,981.50	80,822.38
3	Gross income as % of AAUM	10.20%	9.39%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0202%	0.0259%
b	Management Fee as % of AAUM	0.0120%	0.0119%
5	Net Income as a percentage of AAUM	8.73%	5.96%
6	Portfolio turnover ratio	1.92%	5.95%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	8.90%	6.29%
	Last 3 Years	9.55%	8.51%
	Last 5 Years	10.63%	9.80%
	Since Launch of the scheme (October 04, 2010)	10.23%	10.41%
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) /		
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.		
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, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' – Block  
Bandra – Kurla Complex  
Bandra (East)  
Mumbai – 400051  
Phone: - 66786731 / 6449

000259

**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Scheme - Atal Pension Yojana (APY) (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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

403, 4th Floor, A Wing, Grace Chambers,  
 Andheri Kurla Road, Chakala, Beside Gurudwara  
 Andheri (East), Mumbai - 400 093, India.



Phone: +91 22 2687 8861 / 63

E-mail: mumbai@mkps.in | web: www.mkps.in

000260

Also At : New Delhi, Bangalore, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

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

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.



000261

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
2. We further Certify, read along with observations in our Detailed Audit Report, that:
  - a) Investments has been valued in accordance with the guidelines issued by the Authority, *except for the variance set out in Significant Accounting Policies in Note 7D.*
  - b) The system, procedures and safeguards followed by the PF are adequate;
  - c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.



000262

- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**

**Date:  
Place: Mumbai**



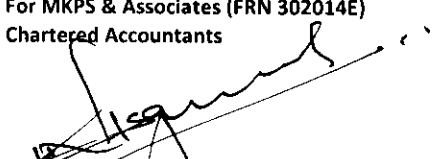
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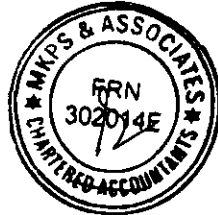
**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	1608 89 38 457	975 70 46 517
Reserves and Surplus	2	655 56 13 407	284 22 68 397
Current Liabilities and Provisions	3	1 85 14 709	63 76 423
<b>Total</b>		<b>2266 30 66 573</b>	<b>1260 56 91 337</b>
<b>Assets</b>			
Investments	4	2219 34 94 145	1236 19 62 723
Deposits	5	3 60 05 929	-
Other Current Assets	6	43 35 66 499	24 37 28 614
<b>Total</b>		<b>2266 30 66 573</b>	<b>1260 56 91 337</b>
(a) Net assets as per Balance Sheets		2264 45 51 864	1259 93 14 914
(b) Number of units outstanding		160 88 93 846	97 57 04 652
Significant Accounting Policies and Notes to Accounts	7		

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


For MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955




Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.

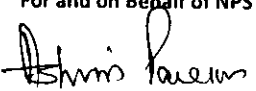
  
Bahram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261



  
Imtiazur Rahman  
Chairman & Director  
DIN) 01818725

Date: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000264

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019**

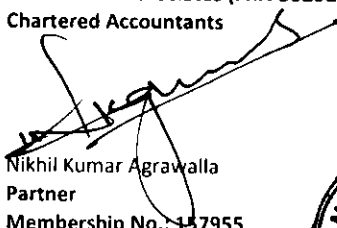
Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<b>Income</b>			
Dividend		2 81 41 836	1 33 30 718
Interest		110 18 44 737	58 79 29 518
Profit on sale/redemption of investments		4 48 20 154	2 73 30 601
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		68 83 03 352	16 78 68 075
Other income			
- Miscellaneous Income		2 248	223
<b>Total Income (A)</b>		<b>186 31 12 327</b>	<b>79 64 59 135</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		19 33 51 741	34 71 77 816
Loss on sale/redemption of investments		60 23 517	16 39 350
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		20 49 994	11 16 234
NPS Trust fees		6 59 292	9 31 829
Custodian fees (including service Tax / GST)		6 20 534	3 24 001
Depository and settlement charges (including service Tax / GST)		1 62 561	98 450
CRA Fees		12 74 53 533	7 96 72 235
Less: Amount recoverable on sale of units on account of CRA Charges		(12 74 53 533)	(7 96 72 235)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>20 28 67 639</b>	<b>35 12 87 680</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>166 02 44 688</b>	<b>44 51 71 455</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(48 81 70 046)	17 25 28 176
Less: Amount transferred (to) / from General Reserve		(117 20 74 642)	(61 76 99 631)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

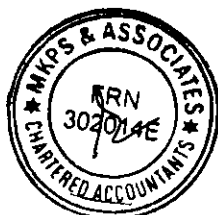
Significant Accounting Policies and Notes to Accounts

7

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


For MKPS & Associates (FRN 302014E),  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955



Date:  
Place: Mumbai

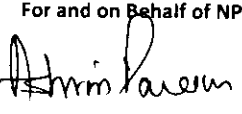
For UTI Retirement Solutions Ltd.

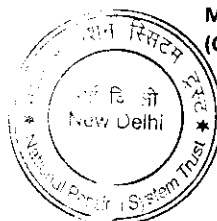
  
Ram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261

  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000265



**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, 2019**

Schedule 1	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	975 70 46 517	509 41 37 011
Add :Units issued during the year	681 38 29 477	482 73 83 156
Less: Units redeemed during the year	(48 19 37 537)	(16 44 73 650)
<b>Outstanding at the end of the year</b>	<b>1608 89 38 457</b>	<b>975 70 46 517</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	97 57 04 652	50 94 13 701
Add :Units issued during the year	68 13 82 948	48 27 38 316
Less: Units redeemed during the year	(4 81 93 754)	(1 64 47 365)
<b>Outstanding units at the end of the year</b>	<b>160 88 93 846</b>	<b>97 57 04 652</b>

Schedule 2	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	193 07 58 083	66 30 00 562
Add: Premium on Units issued	221 04 21 469	131 25 13 945
Less: Premium on Units redeemed	(15 73 21 147)	(4 47 56 424)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>398 38 58 405</b>	<b>193 07 58 083</b>
<b>General Reserve</b>		
Opening Balance	91 15 10 314	29 38 10 683
Add: Transfer from Revenue Account	117 20 74 642	61 76 99 631
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>208 35 84 956</b>	<b>91 15 10 314</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	-	17 25 28 176
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	48 81 70 046	(17 25 28 176)
Closing Balance	<b>48 81 70 046</b>	-
<b>Total</b>	<b>655 56 13 407</b>	<b>284 22 68 397</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	9 13 846	7 61 538
Book Overdraft	-	-
Redemption Payable	73 15 318	56 00 402
TDS Payable	26 264	14 483
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>1 85 14 709</b>	<b>63 76 423</b>



**000266**

**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, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	311 23 69 684	172 26 08 017
Preference Shares	-	4 378
Debentures and Bonds Listed/Awaiting Listing	788 50 21 784	421 65 24 143
Central and State Government Securities (including treasury bills)	1096 82 03 178	613 07 94 960
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	19 78 99 499	29 20 31 225
Non Convertible Debentures classified as NPA	3 00 00 000	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>2219 34 94 145</b>	<b>1236 19 62 723</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	3 60 05 929	-
<b>Total</b>	<b>3 60 05 929</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	2 53 76 592	32 21 459
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	43 13 151	-
Less: Provision for interest on Non-Performing Investment	( 43 13 151)	-
Outstanding and accrued income	40 73 58 752	24 04 36 501
Dividend Receivable	3 18 191	70 654
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	5 12 964	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
<b>Total</b>	<b>43 35 66 499</b>	<b>24 37 28 614</b>



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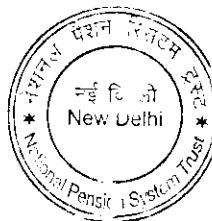
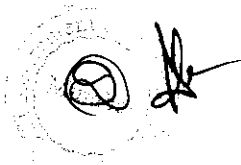
## NATIONAL PENSION SYSTEM TRUST

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, 2019

#### 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 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.
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.



000268

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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:**

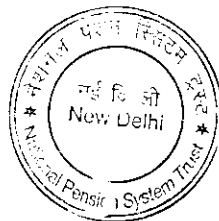
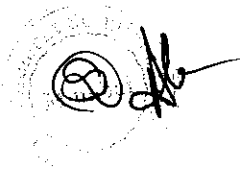
Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(iv)	Equity Shares	Upto 15

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.

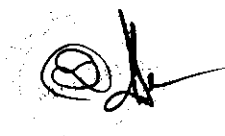


## C. Significant Accounting Policies

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. **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.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - 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. **Debentures, corporate bonds, commercial papers and certificate of deposits:**
- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.



000271

- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. **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.
4. 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.
5. **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:

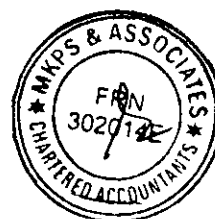
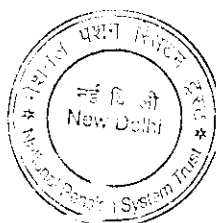
Period past due from the date of classification of assets as NPA	% Provision On Book Value
3 Months	50%
6 Months	75%
9 Months	100%

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'



000272

- 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:-

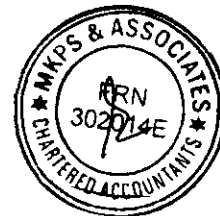
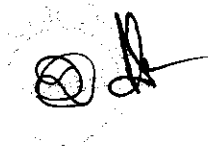
- i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.
- ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25%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

**6. 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.

- 7. 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.

- 8. 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.



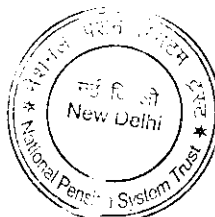


D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA'S guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-19
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise 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.	Impact was not ascertainable.
<b>2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).</b>	They are being valued at average of price given by CRISIL and ICRA	Impact was not ascertainable.
<b>3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.</b>	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.
<b>4. Front-end discount should be reduced from the Cost of investments.</b>	Front-end discount is taken to Income.	Impact was not ascertainable.

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 1608883618.6133 and the balance 10226.9257 have been identified as residual units with CRA.



000274

Total 7.3241 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.

- F. **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%	₹ 20,49,994	₹ 11,16,234

\* excluding service tax / GST

\*\* including service tax / GST

- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Year	Previous Year	Current Year	Previous Year
0.005%	0.01%	₹ 6,59,292	₹ 9,31,829

- H. **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	%
10,244.52	600.67	9,309.94	545.87	4,070.89	436.11	3,420.54	366.44

- I. 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, 2019 is ₹ 288.31 Crores. (Previous Year ₹ 156.82 Crores)

- J. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 14.0746	₹ 12.9130



000275

K. **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	%
186.31	10.92	20.29	1.19	79.65	8.53	35.13	3.76

L. **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, 2019 is as under:

Particular	₹ in Crores	
	As on 31st March, 2019	As on 31st March, 2018
Book Value	3.99	NIL
Provision for NPA	0.00	NIL
Carrying Cost	3.99	NIL
Market Value***	-	-
% of NPA (Gross) to AUM	0.18	NIL

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

M. Contingent liability as on 31<sup>st</sup> March, 2019 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).

N. 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, 2019 is ₹ NIL. (Previous Year ₹ Nil)

O. **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	₹ 9,262.99	₹ 19.79	₹ 3,407.82	₹ 29.20



000276

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

₹ in Crores

Particular	Current Year	Previous Year
Net Unrealized Gains/(Losses)	₹ 49.50	₹ (17.93)

Q. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category  $\geq$  5% as on 31<sup>st</sup> March, 2019 is given in Annexure A.

R. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure B.

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

For MKPS & Associates

For UTI Retirement Solutions Ltd.

Chartered Accountants

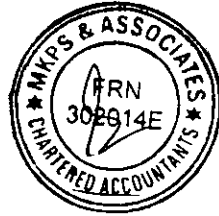
Firm Registration No: 302014E

Nikhil Kumar Agrawalla  
Partner

M. No. - 157955

Date :

Place : Mumbai



Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director

DIN : 01846261

Date : 25/04/2019

Place : Mumbai

Imtaiyazur Rahman  
Chairman & Director  
DIN: 01818725

For and on behalf of NPS Trust

Ashvin Parekh  
Ashvin Parekh

(Chairman, NPS Trust Board)

Date :

Place : Mumbai

Munish Malik

(Chief Executive Officer, NPS Trust)

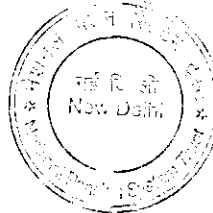


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**ANNEXURE A**

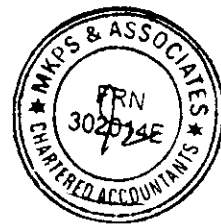
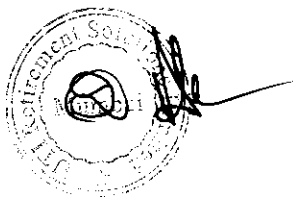
**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

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.	423,998	169,811,199	0.75	5.46
HDFC BANK LTD.	69,949	162,204,736	0.72	5.21
INDUSIND BANK LTD.	77,311	137,613,580	0.61	4.42
STATE BANK OF INDIA	373,523	119,807,502	0.53	3.85
AXIS BANK LTD.	129,850	100,925,913	0.45	3.24
KOTAK MAHINDRA BANK LTD.	73,541	98,140,465	0.43	3.15
YES BANK	173,570	47,749,107	0.21	1.53
BANK OF BARODA	150,182	19,320,914	0.09	0.62
IDFC BANK LIMITED	14,780	820,290	0.00	0.03
PUNJAB NATIONAL BANK	144	13,752	0.00	0.00
		<b>856,407,458</b>	<b>3.79</b>	<b>27.51</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	209,760	156,029,976	0.69	5.01
TATA CONSULTANCY SERVICES LTD.	60,732	121,564,208	0.54	3.91
TECH MAHINDRA LTD.	80,027	62,092,949	0.27	2.00
HCL TECHNOLOGIES LIMITED	76	82,646	0.00	0.00
		<b>339,769,779</b>	<b>1.50</b>	<b>10.92</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.	144,152	196,515,214	0.87	6.31
INDIAN OIL CORPORATION LTD.	145,600	23,710,960	0.10	0.76
CASTROL INDIA LTD.	62,400	10,383,360	0.05	0.33
HINDUSTAN PETROLEUM CORPORATION LTD.	7,500	2,128,875	0.01	0.07
		<b>232,738,409</b>	<b>1.03</b>	<b>7.47</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	64,019	126,005,397	0.56	4.05
LIC HOUSING FINANCE LTD.	123,700	65,833,140	0.29	2.12
		<b>191,838,537</b>	<b>0.85</b>	<b>6.17</b>
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
LUPIN LTD.	54,679	40,440,588	0.18	1.30
SUN PHARMACEUTICAL INDUSTRIES LTD.	65,585	31,405,377	0.14	1.01
DIVIS LABORATORIES LTD.	17,949	30,568,942	0.13	0.98
CADILA HEALTHCARE LTD.	87,500	30,366,875	0.13	0.98
CIPLA LTD.	31,638	16,733,338	0.07	0.54
DR. REDDYS LABORATORIES LTD.	4,874	13,550,939	0.06	0.44
		<b>163,066,059</b>	<b>0.71</b>	<b>5.25</b>



000278

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.	7,090,000	722,787,973	3.19	9.13
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	3,450,000	353,263,116	1.56	4.46
HOUSING AND URBAN DEVELOPMENT CORPORATION	1,700,000	174,381,450	0.77	2.20
PNB HOUSING FINANCE LIMITED	630,000	62,900,217	0.28	0.79
		<b>1,313,332,756</b>	<b>5.80</b>	<b>16.58</b>
<b>OTHER CREDIT GRANTING</b>				
RURAL ELECTRIFICATION CORPORATION LIMITED	6,200,000	616,106,413	2.72	7.78
POWER FINANCE CORPORATION LTD.	5,770,000	576,457,853	2.55	7.28
CAN FIN HOMES LTD.	70,000	7,008,694	0.03	0.09
		<b>1,199,572,960</b>	<b>5.30</b>	<b>15.15</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	7,290,000	735,421,855	3.25	9.29
ICICI BANK LTD.	1,920,000	189,086,373	0.84	2.39
HDFC BANK LTD.	1,430,000	140,678,109	0.62	1.78
IDFC BANK LIMITED	370,000	37,230,060	0.16	0.47
YES BANK	200,000	18,808,120	0.08	0.24
KOTAK MAHINDRA BANK LTD.	10,000	1,027,325	0.00	0.01
		<b>1,122,251,842</b>	<b>4.95</b>	<b>14.18</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	7,350,000	736,666,272	3.25	9.31
EXPORT IMPORT BANK OF INDIA	1,980,000	197,079,646	0.87	2.49
		<b>933,745,918</b>	<b>4.12</b>	<b>11.80</b>
<b>PASSENGER RAIL TRANSPORT</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	6,320,000	631,320,999	2.79	7.98
		<b>631,320,999</b>	<b>2.79</b>	<b>7.98</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	5,500,000	550,567,940	2.43	6.96
		<b>550,567,940</b>	<b>2.43</b>	<b>6.96</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	4,000,000	398,892,238	1.76	5.04
		<b>398,892,238</b>	<b>1.76</b>	<b>5.04</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, 2019	As at March 31, 2018
1	NAV Per Unit (Rs.)*		
a	Open	12.9153	12.2191
b	High	14.0746	12.9775
c	Low	12.7418	12.1376
d	End	14.0746	12.9130
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	226,445.52	125,993.15
b	Average (AAUM)	170,551.58	93,346.40
3	Gross income as % of AAUM	10.92%	8.53%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0204%	0.0265%
b	Management Fee as % of AAUM	0.0120%	0.0119%
5	Net Income as a percentage of AAUM	9.73%	4.77%
6	Portfolio turnover ratio	2.03%	3.77%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	9.00%	5.70%
	Last 3 Years	9.59%	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme (June 04, 2015)	9.35%	9.47%
<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 = $((1 + \text{cumulative return})^n - 1)$ (where n=365/no. of days)			





Retirement Solutions

## UTI Retirement Solutions Limited

### NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme Corporate CG

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2019
- Revenue Accounts for the Financial Year ended 31st March, 2019
- Accounting Policies and Notes to Accounts

Registered Office:  
UTI Towers 'Gn' - Block  
Bandra - Kurla Complex  
Bandra (East)  
Mumbai - 400051  
Phone: - 66786731 / 6449

000281



**INDEPENDENT AUDITOR'S REPORT**

To,  
 The Trustees,  
 National Pension System Trust

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

We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme - Corporate CG (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM')** which comprise of the Balance sheet as at 31<sup>st</sup> March 2019, and the Revenue Account for the year then ended, and notes to the financial statements, including 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 are prepared in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2019, and the Revenue Account for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The PFM's Board of Directors is responsible for the other information. The other information comprises the "Introduction, Operation and future outlook, Market Outlook for FY 2019 - 20, Liabilities and responsibility of Pension Fund Manager (PF), Investment Objectives of NPS Schemes, Basis and Policy of Investment, Declaration, Fund Facts & Performance, Key Statistics, Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2018-19 and Auditors Certificate thereon, Extracts of the minutes of Board meeting" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or otherwise appears to be materially misstated. In this regard, we did not identify any material inconsistencies.

403, 4th Floor, A Wing, Grace Chambers,  
 Andheri Kurla Road, Chakala, Beside Gurudwara,  
 Andheri (East), Mumbai - 400 093, India.



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000282

Also At : New Delhi, Bangalore, Hyderabad, Kolkata, Raipur, Bhubaneswar, Cuttack, Sambalpur, Rourkela

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for preparation of the financial statements in accordance with PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

In preparing the financial statements, management is responsible for assessing the PFM'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 management either intends to liquidate the PFM or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the scheme's financial reporting process.

### **Auditor's Responsibilities 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.



000283

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PFM's internal control.

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 PFM's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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 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 those charged with governance regarding, 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 those charged with governance 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**

1. As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended and section 143(3) of the Act, read along with observations in our Detailed Audit Report, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account of the scheme, as required by PFRDA has been kept by the PFM so far as it appears from our examination of those books.
  - c) The Balance Sheet and the Revenue Account of the Scheme dealt with by this Report are in agreement with the books of account of the Scheme.
  - d) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.

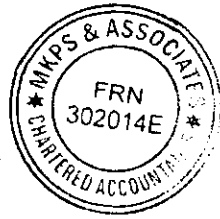


284

2. We further Certify, *read along with observations in our Detailed Audit Report*, that:

- a) Investments have been valued in accordance with the guidelines issued by the Authority.
- b) The system, procedures and safeguards followed by the PF are adequate;
- c) The provisions of appointment letter by Authority, IMA agreement signed with the Trust are being complied with by the PF.
- d) Directions issued by the Authority/NPS Trust from time to time or any other statutory requirements have been followed.
- e) Affairs of the PF are being conducted in a manner which is in the interest of the subscribers.
- f) Transaction and claims/ fee raised by the different entities are in accordance with the prescribed fee.

**For MKPS & Associates  
Chartered Accountants  
FRN: 302014E**



**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**

**Date:  
Place: Mumbai**

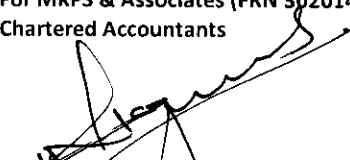
285

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**BALANCE SHEET AS AT MARCH 31, 2019**

Particulars	Schedules	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Liabilities</b>			
Unit Capital	1	-	-
Reserves and Surplus	2	-	-
Current Liabilities and Provisions	3	-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Assets</b>			
Investments	4	-	-
Deposits	5	-	-
Other Current Assets	6	-	-
<b>Total</b>		<b>-</b>	<b>-</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 MKPS & Associates (FRN 302014E)  
Chartered Accountants

  
Nikhil Kumar Agrawalla  
Partner  
Membership No.: 157955




Date:  
Place: Mumbai

For UTI Retirement Solutions Ltd.

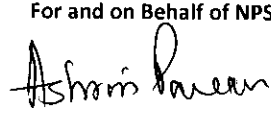
  
Balram P Bhagat  
Chief Executive Officer  
& Whole Time Director  
DIN : 01846261



  
Imtiazur Rahman  
Chairman & Director  
DIN: 01818725

Date: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

  
Ashvin Parekh  
(Chairman, NPS Trust Board)



Date:  
Place: Mumbai

  
Munish Malik  
(Chief Executive Officer, NPS Trust)

000286

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019**

Particulars	Schedules	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
<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 service Tax / GST)		-	-
NPS Trust fees		-	-
Custodian fees (including service Tax / GST)		-	-
Depository and settlement charges (including service Tax / 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 MKPS & Associates (FRN 302014E)  
Chartered Accountants

Mikhail Kumar Agrawala  
Partner  
Membership No.: 157955



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: 25/04/2019  
Place: Mumbai

For and on Behalf of NPS Trust

Ashvin Parekh  
(Chairman, NPS Trust Board)

Date:  
Place: Mumbai



Munish Malik  
(Chief Executive Officer, NPS Trust)

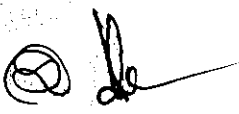
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**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2019**

Schedule 1	No.	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<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, 2019 ₹	As at March 31, 2018 ₹
<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>General Reserve</b>		
Opening Balance	-	-
Add: Transfer from Revenue Account	-	-
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	-	-
<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>Total</b>	<b>-</b>	<b>-</b>

Schedule 3	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>





**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, 2019**

Schedule 4	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<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 securitie	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	-	-
Non Convertible Debentures classified as NPA	-	-
Less: Provision on Non performing investment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Schedule 5	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Schedule 6	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<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>	<b>-</b>	<b>-</b>





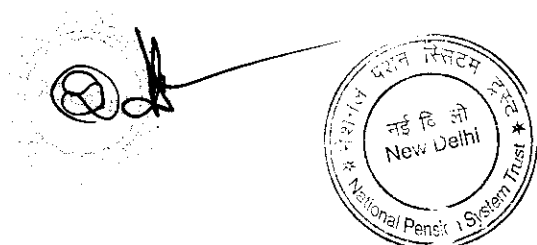
## NATIONAL PENSION SYSTEM TRUST

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, 2019

#### 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 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.
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.



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3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. 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.
5. 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:**

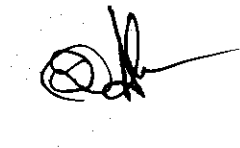
Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(iv)	Equity Shares	Upto 15

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

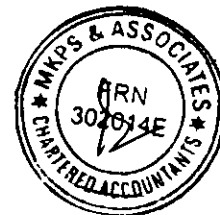
1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (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. **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.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - 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. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. 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.
- ii. 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.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.



- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. **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.
4. 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.
5. **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.
6. **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.
7. **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 service tax / GST

\*\* including service tax / 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 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%	0.01%	₹ 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, 2018 is ₹ NIL. (Previous Year ₹ NIL)

- H. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2019	As on 31st March, 2018
₹ 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



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**J. 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

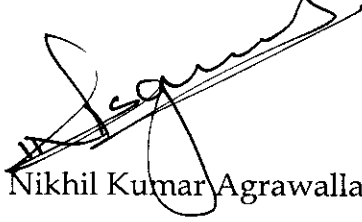
**N. Investment in associates and group companies: ₹ Nil (Previous Year: ₹ Nil)**

**K. The Key Statistics for the Financial Year 2018-19 as compared to the Previous Year is attached as per Annexure A.**

**For MKPS & Associates**

**Chartered Accountants**

**Firm Registration No.: 302014E**

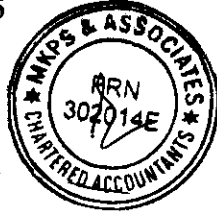


**Nikhil Kumar Agrawalla**  
**Partner**


**M. No. - 157955**

**Date :**

**Place : Mumbai**



**For UTI Retirement Solutions Ltd.**



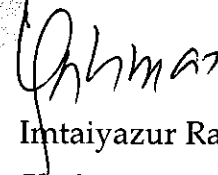
**Balram P Bhagat**

**Chief Executive Officer**  
**& Whole Time Director**

**DIN : 01846261**

**Date : 25/04/2018**

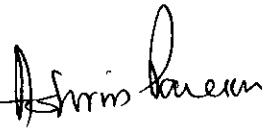
**Place : Mumbai**



**Imtaiyazur Rahman**  
**Chairman & Director**

**DIN: 01818725**


**For and on behalf of NPS Trust**



**Ashvin Parekh**  
**(Chairman, NPS Trust Board)**

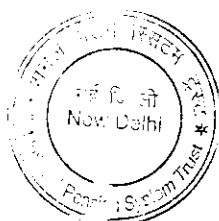
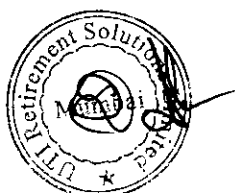
**Date :**

**Place : Mumbai**



**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, 2019	As at March 31, 2018
1	<b>NAV Per Unit (Rs.)*</b>		
a	Open	10.0000	10.0000
b	High	10.0000	10.0000
c	Low	10.0000	10.0000
d	End	10.0000	10.0000
2	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
a	End	0.00	0.00
b	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)		





Ref: MKPS/MUM/NKA/76/2019-20

Date: 06.06.2019

### Certificate

We have been requested by UTI Retirement Solutions Limited (the Pension Fund Manager), having its registered office at UTI Tower, 'Gn' Block, Bandra Kuria Complex, Bandra (East), Mumbai — 400 051 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.

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 2018-19;
- 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.

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.

We have performed our procedures in accordance with the Guidance Note on Audit Reports and Certificates for the Special Purposes issued by the Institute of Chartered Accounts of India ("ICAI").

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.

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 certify that-

- i. Voting reports for Q1, Q2, Q3 and Q4 of the Financial Year 2018-19 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;
- ii. Voting reports were disclosed on the website of UTI Retirement Solutions Limited on a quarterly basis; and
- iii. 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.



403, 4th Floor, A Wing, Grace Chambers,  
Andheri Kurla Road, Chakala, Beside Gurudwara,  
Andheri (East), Mumbai - 400 093, India.

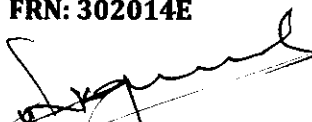
Phone: +91 22 2687 8861 / 63

E-mail: mumbai@mkps.in | web: www.mkps.in

**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 MKPS & Associates  
Chartered Accountants  
FRN: 302014E**

  
**Nikhil Kumar Agrawalla  
Partner  
M. No.:157955**



**Date: 06.06.2019  
Place: Mumbai**

**UDIN: 19157955AAAABB1238**