



**नेशनल पेंशन सिस्टम ट्रस्ट
(एन पी एस ट्रस्ट)**

**NATIONAL PENSION SYSTEM TRUST
(NPS TRUST)**

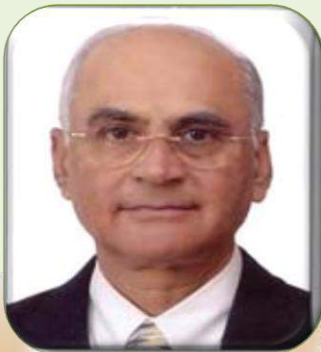
**वित्तीय वर्ष
2015-16 की
वार्षिक रिपोर्ट
व खाते**

**Annual Report
&
Audited
Accounts for
the Financial
Year 2015-16**

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Board of Trustees of National Pension System Trust (NPS Trust) as on 28th June 2016



श्री ग्यानेन्द्र नाथ बाजपेई, अध्यक्ष व ट्रस्टी
(दिनांक 31 जुलाई 2015 तक)
Shri Ghyanendra Nath Bajpai, Chairman &
Trustee
(Till 31st July 2015)



श्री शैलेश हरिभक्ति, अध्यक्ष व ट्रस्टी
(1 अगस्त 2015 के बाद से)
Shri Shailesh Haribhakti, Chairman & Trustee
(Since 1st August 2015)



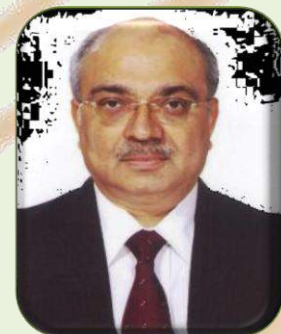
श्रीमती पल्लवी श्रोफ, ट्रस्टी
Smt. Pallavi Shroff,
Trustee



श्री प्रमोद कुमार रस्तोगी,
ट्रस्टी
Shri Pramod Kumar
Rastogi, Trustee



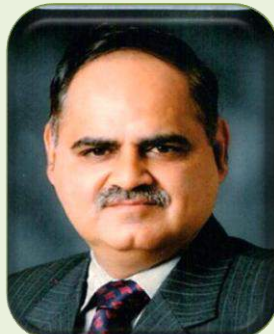
श्री एन डी गुप्ता, ट्रस्टी व
अध्यक्ष, ऑडिट कमेटी
Shri N D Gupta, Trustee
& Chairman, Audit
Committee



श्री अश्विन पारिख, ट्रस्टी
Shri Ashvin Parekh,
Trustee



श्री बिजय कुमार आईएएस, ट्रस्टी
(दिनांक 1 मई 2016 तक)
Shri Bijay Kumar IAS, Trustee
(Till 1st May 2016)



श्री आलोक टंडन आईएएस, ट्रस्टी
Shri Alok Tandon IAS, Trustee
(दिनांक 25 मई 2016 तक)
(Till 25th May 2016)



श्री कमल चौधरी, मुख्य कार्यकारी
अधिकारी
Shri Kamal Chaudhry, Chief
Executive Officer

नेशनल पेंशन सिस्टम ट्रस्ट (एन.पी.एस.ट्रस्ट) के ट्रस्टी बोर्ड (दिनांक 28 जून 2016 को) का विवरण
Board of Trustees of National Pension System Trust (NPS Trust) as on 28th June 2016- Details

<p>श्री ज्ञानेन्द्र नाथ बाजपेई</p> <p>(पूर्व अध्यक्ष भारतीय जीवन बीमा निगम व भारतीय प्रतिभूति व विनिमय बोर्ड)</p> <p>Shri Ghyanendra Nath Bajpai</p> <p>(Former Chairman of Life Insurance Corporation (LIC) and Securities & Exchange Board of India (SEBI))</p>	<p>अध्यक्ष व ट्रस्टी</p> <p>(31 जुलाई 2015 को अध्यक्ष एवं ट्रस्टी के रूप में सेवानिवृत्त)</p> <p>Chairman & Trustee</p> <p>(Retired as Chairman & Trustee on 31st July 2015)</p>
<p>श्री शैलेश हरिभक्ति</p> <p>(समूह अध्यक्ष डी. एच. कंसल्टेंट लिमिटेड, मुंबई)</p> <p>Shri Shaliesh Haribhakti</p> <p>(Group Chairman of DH Consultants Limited, Mumbai)</p>	<p>अध्यक्ष व ट्रस्टी</p> <p>(पी. एफ. आर. डी. ऐ. द्वारा दिनांक 12 नवम्बर 2012 को ट्रस्टी नियुक्त व दिनांक 12 नवंबर 2014 को पुनः नियुक्त)</p> <p>(पी. एफ. आर. डी. ऐ. द्वारा दिनांक 01 अगस्त 2015 को अध्यक्ष के रूप में नियुक्त)</p> <p>Chairman & Trustee</p> <p>(Appointed by PFRDA as Trustee with effect from 12th November 2012, reappointed on 12th November 2014)</p> <p>(Appointed by PFRDA as Chairman with effect from 1st August 2015)</p>
<p>श्रीमती पल्लवी श्रोफ</p> <p>(प्रबंध पार्टनर श्रदुल अमरचंद मंगलदास एंड एंड कंपनी, नई दिल्ली)</p> <p>Smt. Pallavi Shroff</p> <p>(Managing Partner at Shardul Amarchand Mangaldas & Co., New Delhi)</p>	<p>ट्रस्टी</p> <p>(पी. एफ. आर. डी. ऐ. द्वारा दिनांक 12 नवम्बर 2012 को ट्रस्टी नियुक्त व दिनांक 12 नवंबर 2014 को पुनः नियुक्त)</p> <p>Trustee</p> <p>(Appointed by PFRDA as Trustee with effect from 12th November 2012, reappointed on 12th November 2014)</p>

नेशनल पेंशन सिस्टम ट्रस्ट (एन.पी.एस.ट्रस्ट) के ट्रस्टी बोर्ड (दिनांक 28 जून 2016 को) का विवरण
Board of Trustees of National Pension System Trust (NPS Trust) as on 28th June 2016- Details

<p>श्री प्रमोद कुमार रस्तोगी</p> <p>[सेवा निवृत्त भारतीय प्रशासनिक सेवा अधिकारी, पूर्व सचिव स्टील मंत्रालय; सदस्य, टेलीकॉम डिसप्यूट सेट्लेमेंट तथा अप्पेलेट ट्रिबुनल)</p> <p>Shri Pramod Kumar Rastogi</p> <p>(Retired, IAS; Former Secretary, Ministry of Steel; Former Member, Telecom Disputes Settlement and Appellate (TDSAT) Tribunal)</p>	<p>ट्रस्टी</p> <p>(पी. एफ. आर. डी. ऐ. द्वारा दिनांक 8 अप्रैल 2013 को ट्रस्टी नियुक्त व दिनांक 12 अप्रैल 2014को पुनः नियुक्त)</p> <p>Trustee</p> <p>(Appointed by PFRDA as Trustee with effect from 8th April 2013, reappointed on 8th April 2015)</p>
<p>श्री एन डी गुप्ता</p> <p>(भारत के चार्टर्ड एकाउंटेंट्स संस्थान के भूतपूर्व अध्यक्ष व अंतर्राष्ट्रीय लेखा मानक समिति (ब्रिटेन) और लेखाकार के इंटरनेशनल फेडरेशन (संयुक्त राज्य अमरीका) के बोर्ड के सदस्य)</p> <p>Shri N. D. Gupta</p> <p>(Ex President of Institute of Chartered Accountants of India, Board Member of International Accounting Standards Committee (IASC), U.K and International Federation of Accountants (IFAC), USA)</p>	<p>ट्रस्टी</p> <p>(पी. एफ. आर. डी. ऐ. द्वारा दिनांक 30 मार्च 2015 को ट्रस्टी नियुक्त)</p> <p>Trustee</p> <p>(Appointed by PFRDA as Trustee with effect from 30th March 2015)</p>
<p>श्री अश्विन पारेख</p> <p>(अश्विन पारेख एडवाइजरी सर्विसेज एलएलपी के प्रबंध पार्टनर और ग्लोबल वित्तीय सेवाएं - अर्न्स्ट एंड यंग प्रा। लिमिटेड के वरिष्ठ विशेषज्ञ सलाहकार)</p> <p>Shri Ashvin Parekh</p> <p>(Managing Partner of Ashvin Parekh Advisory Services LLP and Senior Expert Advisor of Global Financial Services- Ernst & Young Pvt. Ltd.)</p>	<p>ट्रस्टी</p> <p>(पी.एफ.आर.डी.ऐ. द्वारा दिनांक 30 मार्च 2015 को ट्रस्टी नियुक्त)</p> <p>Trustee</p> <p>(Appointed by PFRDA as Trustee with effect from 30th March 2015)</p>

नेशनल पेंशन सिस्टम ट्रस्ट (एन.पी.एस.ट्रस्ट) के ट्रस्टी बोर्ड (दिनांक 28 जून 2016 को) का विवरण
Board of Trustees of National Pension System Trust (NPS Trust) as on 28th June 2016- Details

<p>श्री बिजय कुमार आईएएस</p> <p>(प्रमुख सचिव [वित्तीय सुधार], महाराष्ट्र सरकार)</p> <p>Shri Bijay Kumar IAS</p> <p>(Principal Secretary [Financial Reforms], Government of Maharashtra)</p>	<p>ट्रस्टी</p> <p>(पी. एफ. आर. डी. ऐ. द्वारा दिनांक 22 दिसंबर 2015 को ट्रस्टी नियुक्त)</p> <p>(राज्य सरकार के प्रधान सचिव (वित्तीय सुधार) के पद / प्रभारी से त्याग के कारण, नियुक्ति की अवधि 1 मई 2016 से समाप्त)</p> <p>Trustee</p> <p>(Appointed by PFRDA as Trustee with effect from 22nd December 2015)</p> <p>(Term of appointment ceased w.e.f 1st May 2016 as he has been relinquished from the post/ charge of Principal Secretary (financial reforms) with State Government)</p>
<p>श्री आलोक टंडन आईएएस</p> <p>(संयुक्त सचिव, वित्त मंत्रालय)</p> <p>Shri Alok Tondon IAS</p> <p>(Joint Secretary, Ministry of Finance)</p>	<p>ट्रस्टी</p> <p>(पी. एफ. आर. डी. ऐ. द्वारा दिनांक 08 अप्रैल 2016 को ट्रस्टी नियुक्त)</p> <p>(संयुक्त सचिव, वित्त मंत्रालय के पद / प्रभारी से त्याग के कारण, नियुक्ति की अवधि 1 मई 2016 से समाप्त)</p> <p>Trustee</p> <p>(Appointed by PFRDA as Trustee with effect from 8th April 2016)</p> <p>(Term of appointment ceased w.e.f 25th May 2016 as he has been relinquished from the post/ charge of Joint Secretary, Ministry of Finance.)</p>
<p>श्री कमल चौधरी</p> <p>(स्थापना के बाद पीएफआरडीए के साथ जुड़े और बीमा और पेंशन क्षेत्र में व्यापक अनुभव)</p> <p>Shri Kamal Chaudhry</p> <p>(Associated with PFRDA since inception and has vast experience in Insurance & Pension Sector)</p>	<p>मुख्य कार्यकारी अधिकारी</p> <p>(पी. एफ. आर. डी. ऐ. द्वारा दिनांक 01 अगस्त 2014 मुख्य कार्यकारी अधिकारी के रूप में नियुक्त)</p> <p>Chief Executive Officer</p> <p>(Appointed by PFRDA as CEO with effect from 01st August 2014 & reappointed on 01st August 2015)</p>

एन. पी. एस. ट्रस्ट के व्यवसाय समीक्षा सलाहकार

क्रिसिल लिमिटेड

क्रिसिल हाउस, सेंट्रल एवेन्यू, हीरानन्दानी बिजनेस पार्क, पवई, मुंबई 400076

संपर्क अधिकारी :-

श्री जीजू विद्याधरन, निदेशक, फंड व फिक्स्ड इंकम सेवाये

BUSINESS REVIEW CONSULTANTS to NPS TRUST

CRISIL Limited

CRISIL House, Central Avenue, Hiranandani Business Park,
Powai, Mumbai 400076.

Contact Person:-

Shri Jiju Vidyadharan, Director, Funds & Fixed Income Services.

नेशनल पेंशन सिस्टम (एन. पी. एस.) की मध्यवर्ती संस्थाएँ (इंटेर्मेडियरिस)

(दिनांक 28 जून 2016 को)

INTERMEDIARIES FOR THE NATIONAL PENSION SYSTEM (NPS) SCHEMES

(As on 28th June 2016)

पेंशन फंड मैनेजर (पी. एफ. एम.)

Pension Fund Managers (PFMs)

क्रमांक S. No.	पेंशन फंड मैनेजर Pension Fund Managers	अभिदाता / ग्राहक वर्ग Subscriber Class
1.	<p>एस. बी. आई. पेंशन फंड (पी.) लिमिटेड 32, तीसरा तल, मेकर चेम्बर - III, नरीमन पॉइंट, मुंबई- 400 021 संपर्क अधिकारी:- श्री शैलेन्द्र कुमार, प्रबंध निदेशक व सी ई ओ</p> <p>SBI Pension Funds (P) Ltd, No. 32, 3rd Floor, Maker Chambers-III, Nariman Point, Mumbai- 400 021 Contact Person:- Sh. Shailendra Kumar, Managing Director & CEO</p>	<p>केंद्र व राज्य सरकार (सी जी व एस जी तथा निजी क्षेत्र)</p> <p>Central Government & State Government (CG & SG and Private Sector)</p>

क्रमांक S. No.	पेंशन फंड मैनेजर Pension Fund Managers	अभिदाता / ग्राहक वर्ग Subscriber Class
2.	एल आई सी पेंशन फंड लिमिटेड प्रथम तल , पूर्व विंग , औद्योगिक आश्वासन बिल्डिंग वीर नरीमन रोड, चर्चगेट , मुंबई - 400020 संपर्क अधिकारी:- श्री एस बंधोपाध्याय, प्रबंध निदेशक व सी ई ओ LIC Pension Fund Limited, 1st Floor, East Wing, Industrial Assurance Building Veer Nariman Road, Churchgate, Mumbai – 400020. Contact Person:- Sh. S. Bandyopadhyay, Managing Director & CEO	केंद्र व राज्य सरकार (सी जी व एस जी तथा निजी क्षेत्र) Central Government & State Government (CG & SG and Private Sector)
3.	यूटीआई रिटायरमेंट सॉल्यूशंस लिमिटेड, यूटीआई टॉवर, 'जीएन' ब्लॉक, बांद्रा कुर्लाकॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई- 400051 संपर्क अधिकारी:- श्री बलराम पी. भगत, मुख्य कार्यकारी अधिकारी UTI Retirement Solutions Ltd, UTI Tower, 'Gn' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Contact Person:- Sh. Balram P. Bhagat, Chief Executive Officer	केंद्र व राज्य सरकार (सी जी व एस जी तथा निजी क्षेत्र) Central Government & State Government (CG & SG and Private Sector)
4.	आईसीआईसीआई प्रूडेंशियल पेंशन फंड मैनेजमेंट कंपनी लिमिटेड आईसीआईसीआई प्रूलाइफ टावर्स, 1089, अप्पासाहेब मराठे मार्ग, प्रभादेवी, मुंबई- 400025 संपर्क अधिकारी: सुश्री मेघना बाजी, मुख्य कार्यकारी अधिकारी ICICI Prudential Pension Funds Management Company Ltd ICICI Prulife Towers, 1089, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 Contact Person:- Ms. Meghana Bajji, Chief Executive Officer	निजी क्षेत्र Private Sector
5.	कोटक महिंद्रा पेंशन फंड लिमिटेड 6 वीं मंजिल, कोटक टॉवर, इन्फिनिटी पार्क, गोरेगांव- मुलुंड लिंक रोड, मलाड (ई), मुंबई- 400097 संपर्क अधिकारी :-श्री संदीप श्रीखंदे, मुख्य कार्यकारी अधिकारी Kotak Mahindra Pension Fund Ltd., 6th Floor, Kotak Tower, Infinity Park, Goregoan-Mulund Link Rd, Malad (E), Mumbai- 400097 Contact Person:- Sh. Sandeep Shrikhande, Chief Executive Officer	निजी क्षेत्र Private Sector

क्रमांक S. No.	पेंशन फंड मैनेजर Pension Fund Managers	अभिदाता / ग्राहक वर्ग Subscriber Class
6.	<p>रिलायंस कैपिटल पेंशन फंड लिमिटेड रिलायंस केंद्र, 7 वीं मंजिल, दक्षिण विंग ऑफ वेस्टर्न एक्सप्रेस हाइवे, सांताक्रुज (पूर्व), मुंबई 400055 संपर्क अधिकारी:- श्री .गुरबीर चोपड़ा, मुख्य कार्यकारी अधिकारी</p> <p>Reliance Capital Pension Fund Ltd. Relaince Centre, 7th Floor, South Wing, Off western Express Highway, Santacruz (East), Mumbai- 400055 Contact Person:- Sh. Gurbir Chopra, Chief Executive Officer</p>	<p>निजी क्षेत्र Private Sector</p>
7.	<p>एचडीएफसी पेंशन मैनेजमेंट कंपनी लिमिटेड 13 वीं मंजिल, लोढा एक्ससेलस, अपोलो मिल्स कंपाउंड, एन एम जोशी मार्ग, महालक्ष्मी, मुंबई- 400 011 संपर्क अधिकारी: - श्री सुमित शुक्ला, मुख्य कार्यकारी अधिकारी</p> <p>HDFC Pension Management Company Limited 13th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai 400 011 Contact Person:- Sh. Sumit Shukla, Chief Executive Officer</p>	<p>निजी क्षेत्र Private Sector</p>

केन्द्रीय अभिलेख एजेंसी (सेंट्रल रेकॉर्ड कीपिंग एजेंसी)

एनएसडीएल ई-गवर्नेंस इंफ्रास्ट्रक्चर लिमिटेड,
4 थी मंजिल, ए विंग, ट्रेड वर्ल्ड, कमला मिल्स कम्पाउण्ड,
सेनापति बापट मार्ग, लोअरपरेल, मुंबई- 400013

संपर्क अधिकारी: श्री अमित सिन्हा, कार्यकारी उपाध्यक्ष

Central Record Keeping Agency

NSDL e-Governance Infrastructure Limited,
4th Floor, 'A' Wing, Trade World, Kamala Mills
Compound, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013

Contact Person: Sh. Jayesh Sule, Chief
Operating Officer

ट्रस्टी बैंक

एक्सिस बैंक लिमिटेड,
व्यापार बैंकिंग विभाग, मंजिल 6, एक्सिस हाउस,
सी- 2, वाडिया इंटरनेशनल सेंटर, पांडुरंगबुधकर मार्ग,
वर्ली, मुंबई- 400025

Trustee Bank

Axis Bank Limited,
Business Banking Dept., 6th Floor, Axis House,
C-2, Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai - 400025.

शाखा का पता:

शाखा का नाम- सेंट्रलाइज्ड कलेक्शन एंड पेमेंट हब
(सीसीपीएच), 5 वीं मंजिल, जीगाप्लेक्स बिल्डिंग नं 1,
प्लॉट नं. आईटी 5, एमआईडीसी, ऐरोली नॉलेज पार्क,
ऐरोली, नवी मुंबई - 400708

संपर्क अधिकारी:-

1. श्री करन बूटालिया, वरिष्ठ उपाध्यक्ष,
2. श्री प्रसन्ना आचार्या, वरिष्ठ उपाध्यक्ष

कस्टोडियन

स्टॉक होल्डिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड
(एस एच सी आई एल),
301, सेंटर प्वाइंट, परेल, डॉ. बाबासाहेब आंबेडकर रोड,
मुंबई- 400012
संपर्क अधिकारी: श्री आर आनंद, वाइस प्रेसिडेंट

Address of the Branch:

Name of the Branch - Centralised Collections
and Payment HUB (CCPH), 5th Floor, Gigaplex,
Building No. 1, Plot No.I.T.5, MIDC,
Airoli Knowledge Park, Airoli,
Navi Mumbai - 400708.

Contact Persons:-

1. Shri Prasanna Acharya, Head - Centralised
Collections and Payment HUB (CCPH)
2. Shri Rishi Kesh Kumar Singh, Senior Manager -
Centralised Collections and Payment HUB
(CCPH)

Custodian

Stock Holding Corporation of India Ltd. (SCHIL)
301, Centre Point, Parel, Dr. Babasaheb
Ambedkar Road, Mumbai – 400 012
Contact Person: Sh. R. Anand, Vice President

Trustees' Report

The Trustees of National Pension System (NPS) Trust have pleasure in presenting the Annual Report of the Trust for the Financial Year 2015– 16.

About NPS Trust

The NPS Trust was established in terms of the Central Government letter D.O. No 5(75)/2006-ECB & PR dated 24th April 2007. PFRDA is the Settlor of the Trust and the execution of the NPS Trust Deed by PFRDA took place on 27th February, 2008. A memorandum of Understanding was signed between PFRDA and the NPS Trust highlighting the rights and obligations of both the parties on 1st July 2009. The Board of Trustees of NPS Trust was initially constituted with three members.

The NPS Trust has been set up and constituted to hold the assets and funds under the NPS for the benefit of the beneficiaries (subscribers). Trustees have the legal ownership of the Trust Fund and the general superintendence, direction and management of the affairs of the Trust and all powers, authorities and discretions appurtenant to or incidental to the purpose of the trust absolutely vest in the Trustees, subject nevertheless to the provision of the PFRDA Act-2013, Indian Trust Act – 1882, NPS Trust Deed and further subject to such directions or guidelines that may be issued by PFRDA from time to time. However, the beneficial interest shall always vest with the beneficiaries of the NPS Trust.

PFRDA (National Pension System Trust) Regulations

The PFRDA (National Pension System Trust) Regulations was notified by the Authority on 12th March 2015.

Trustee Bank

Axis Bank was appointed as Trustee Bank w.e.f. 1st July 2015 for a period of 5 years. Funds are transmitted by the Trustee Bank (TB) as per the time limits prescribed in the agreement with TB. Some of the important responsibilities of TB are as under:-

(i) The Bank shall assume the day to day banking of the funds under the NPS and the Bank shall provide Banking facilities in accordance with the provisions of the PFRDA guidelines/directions.

(ii). The Bank shall exercise all due diligence and vigilance in carrying out its duties and in protecting the rights and interests of the subscribers.

Custodian

Stock Holding Corporation of India (SCHIL) were appointed by PFRDA as the custodian to NPS for a period of 10 years w.e.f 31/03/2008. Tripartite agreements have been signed between NPS Trust, Stock Holding Corporation of India and respective Fund Managers after signing of IMAs. As per the agreement, the custodian is authorized to maintain all accounts, registers, corporate books and other documents on computer records and to produce the same when required by the client and / or PFRDA/ SEBI/ or a Court of competent jurisdiction. As per the NPS Trust Deed, Trust is empowered to issue instructions to the custodian not to assign, transfer, hypothecate, pledge, lend or otherwise dispose of any assets or property of the NPS Trust, except as per the provisions of the custody agreement.

The scope of work of the Custodian includes:-

Providing Custodial and depository participant services.

To hold the Properties as agent and discharge such custodial functions as are specifically provided.

NPS Trust Board: Appointments & Retirements

I. Sh. G. N. Bajpai retired as Chairman & Trustee of the Board of Trustee of NPS Trust on 31st July 2015 on completion of his term.

II. Sh. Shailesh Haribhakti was appointed as Chairman of the Board of Trustee of NPS Trust by PFRDA w.e.f 1st August 2015.

III. The term of Shri Kamal Chaudhry as Chief Executive Officer of the NPS Trust was extended by PFRDA for a period of one year, w.e.f 1st August 2015.

IV. Shri Bijay Kumar IAS was appointed as Trustee of NPS Trust by PFRDA for a period of three years w.e.f 22nd December 2015. His term of appointment as trustees of NPS Trust ceased w.e.f 1st May 2016 as he has been relinquished from the post/ charge of Principal Secretary (financial reforms) in Maharashtra State Government.

V. Shri Alok Tandon IAS was appointed as Trustee of NPS Trust by PFRDA for a period of three years w.e.f 8th April 2016. His term of appointment as Trustee of NPS Trust ceased w.e.f 25th May 2016 as he has been relinquished from the post/ charge of Joint Secretary, DFS, Ministry of Finance, Govt. of India.

Audit Committee of the Board of Trustees of NPS Trust

The Audit Committee to the Board of NPS Trust was constituted to assist the Board of NPS Trust with various audit reports, compliance reports of PFM. The Present Composition of Audit Committee of the Board of NPS Trust is

Name	Designation
Shri N. D. Gupta	Chairman
Shri Pramod Kumar Rastogi	Member
Shri Kamal Chaudhry	Member

Meetings held and Attendance

Five meetings of the Audit Committee to NPS Trust Board were held during the financial year 2015-16. The details of Audit Committee meetings attended by the Trustees are as under:-

Name	Designation	No. of Meetings attended
Shri Shailesh Haribhakti	Chairman of the Audit Committee to the Board of NPS Trust (up to 7 th September 2015)	3

Name	Designation	No. of Meetings attended
Shri N. D. Gupta	Chairman of the Audit Committee to the Board of NPS Trust (w.e.f 8 th September 2015)	2
Shri Pramod Kumar Rastogi	Member	5
Shri Kamal Chaudhry	Member	5

Meetings of the Board of Trustees of NPS Trust held and Attendance

Six meetings of the NPS Trust's Board of Trustees were held during the financial year 2015 -16. The details of Board meetings attended by the Trustees are as under:-

Name	Designation	No. of Meetings attended
Shri G. N. Bajpai	Ex- Chairman & Trustee	2
Shri Shailesh Haribhakti	Chairman & Trustee	6
Smt. Pallavi Shroff	Trustee	3
Shri Pramod Kumar Rastogi	Trustee	6
Shri N. D. Gupta	Trustee	6
Shri Ashvin Parekh	Trustee	5
Shri Bijay Kumar	Trustee	1
Shi Kamal Chaudhry	CEO	6

Accounts of National Pension System (NPS) Trust

The Accounts of the Trust for the financial year 2015-16 were audited by M/s RMA & Associate, the statutory auditors to NPS Trust. The Audited Accounts and Report of the Auditor are annexed to this report.

Agreements signed during the Financial Year 2015 - 16

During the Financial year 2015-16, Axis Bank was appointed as Trustee Bank by PFRDA through an RFP process. They were re-appointed for a period of 5 years w.e.f 01st July 2015. Service Level Agreement was executed with Trustee Bank – Axis Bank. The validity and the tenure of the agreement shall be concurrent with that of the Certificate of Registration issued by Authority and shall extinguish in the event the Certificate of Registration is cancelled/suspended on an earlier date.

The large, stylized letters 'NPS' in blue, with a faint orange sunburst graphic to the right.

Domestic Economy: Fiscal 2015-16

Deficient monsoons compelled the Central government to lower its gross domestic product (GDP) growth target for fiscal 2016 to 7-7.5% from 8-8.1% estimated earlier. The Central Statistics Office (CSO) expects the Indian economy to expand by 7.6% in fiscal 2015-16, the highest in four years, compared with 7.2% in fiscal 2014-15. As per the government's economic survey, the country's growth is estimated at 7-7.75% each in fiscal 2016 and fiscal 2017. However, Finance Minister Arun Jaitley said the government might raise its economic projection for 2016-17 to 8-8.5% from 7.5% if monsoon is above normal. Meanwhile, the International Monetary Fund (IMF) has retained India's growth outlook for fiscal 2017 and fiscal 2018 at 7.5% each.

GDP / GVA growth (year-on-year %)

	Q1FY16	Q2FY16	Q3FY16	FY16AE
GDP / GVA at basic prices	7.2	7.5	7.1	7.3
Agriculture	1.6	2.0	-1.0	1.1
Industry	6.8	6.4	9.0	7.3
Mining & quarrying	8.6	5.0	6.5	6.9
Manufacturing	7.3	9.0	12.6	9.5
Electricity, gas & water supply	4.0	7.5	6.0	5.9
Construction	6.0	1.2	4.0	3.7
Services	9.0	9.4	9.4	9.2

AE: Advance estimates

Source: Central Statistical Office (CSO), CRISIL Research

Exports declined 15.8% in fiscal 2016. Exports of petroleum products (oil) fell the most, followed by rice and engineering goods. On a weighted-average basis, the decline was 29%. In contrast, in fiscal 2015, engineering and rice exports increased by a weighted average 3.9%, while petroleum products' exports slipped 1.7%. At \$310.2 billion, merchandise exports in fiscal 2016 are 20% below the target set earlier in the year. Import growth stands at -15.3% compared with a -0.5% fall in fiscal 2015. The sharpest decline was reported by petroleum products, gold, coal, and pearls and precious stones, which collectively saw a weighted-average decline of 30.6% compared with 7.2% fall in fiscal 2015. As a result, the trade deficit contracted about \$20 billion in fiscal 2016 to \$117.9 billion.

Retail inflation or Consumer Price Index (CPI)-based inflation declined to 4.9% in fiscal 2016 from 6% in fiscal 2015 mainly due to an upward push from a low-base effect. On the back of softer inflation, prudent fiscal consolidation and with an aim to push economic growth in the country, the Reserve Bank of India (RBI) cut the repo rate by 25 basis points (bps) on April 5, 2016.

Consumer Price Index (year-on-year %)

			April-March	
	Mar-16*	Mar-15	FY16	FY15
CPI (combined)	4.8	5.3	4.9	6.0
Food and beverages	5.3	6.3	5.1	6.6
Pan, tobacco and intoxicants	8.5	9.2	9.3	8.0
Fuel & Light	3.4	5.2	5.3	4.2
Core CPI	5.4	4.5	5.7	5.7
Housing	5.3	4.8	4.9	7.0
Clothing & footwear	5.5	6.3	5.8	7.3
Misc.	4.0	3.1	3.7	4.6

*provisional

Source: CSO, CRISIL Research

Global economy: Calendar Year 2015

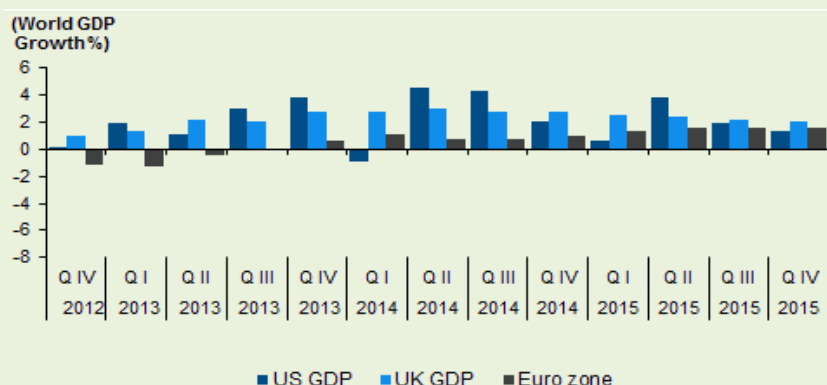
The US

Citing recovery in the US economy, the US Federal Reserve (Fed) ended the seven-year hiatus of zero rates by increasing the interest rate to 0.25-0.50% in December 2015. Despite stability in the economy, the central bank maintained a cautious approach in raising the interest rate in the future amid lingering global risks. The economy grew 2.4% in calendar year (CY) 2015, following similar growth in the previous year. On the outlook front, the International Monetary Fund (IMF) lowered its growth forecast for 2016 to 2.4% for the country from 2.6% on anticipation of a hit on the country's exports due to a strong dollar. The US Fed also cut its GDP growth forecast to 2.2% in 2016 from 2.4%.

The UK

Uncertainty surrounding the UK's referendum on European Union (EU) membership took centre-stage in global parlance. The IMF issued stark warning that Britain's exit (commonly termed as Brexit) from the EU could pose major challenges for the country as well as the region. The Bank of England voiced concerns over Brexit, citing the biggest short-term domestic threat to financial stability. Meanwhile, the country's GDP growth slowed to 2.2% in CY 2015 from 2.9% in the previous year.

Chart 1 - GDP growth of major world economies



Source: Statistical Bureau, respective countries

Eurozone

In order to boost the flagging Eurozone economic recovery and combat deflationary pressure, the European Central Bank (ECB) announced series of measures during the year. In CY 2015, the ECB announced bond buying programme with monthly buying of bonds worth 60 bn euro, lowered deposit facility rate by 10 bps to -0.3% and kept key interest rate unchanged at 0.05%. In March 2016, the monthly bond buying programme was expanded to 80 bn euro, deposit rate was reduced by another 10 bps to -0.4% and key interest rate was reduced to 0% from 0.05%. Meanwhile, the bloc's GDP rose 1.5% in CY 2015 following 0.9% expansion in CY 2014.

China

Concerns about China's economic slowdown weighed on the global economy. The country's economic growth fell to the slowest pace in 25 years in CY 2015 at 6.9% from 7.3% in CY 2014. The People's Bank of China (PBoC) led from the front in countering the slowdown in the Chinese economy. It announced a series of cuts in the banks' reserve requirement ratio and one-year benchmark deposit and lending rates in CY 2015 and was continued until March 2016 to currently stand at 17.5%, 1.50% and 4.35%, respectively, down 2.50%, 1.25% and 1.25%, respectively. Meanwhile, PBoC Governor Zhou Xiaochuan stated that the existing monetary policy is prudent and excessive stimulus is not needed to meet the targeted 6.5% growth over the next five years.

Japan

Despite massive monetary easing and stimulus measures, the Japanese economy remains on tenterhooks. In January 2016, the Bank of Japan (BoJ), introduced negative interest rates to support the economy. The central bank lowered its official interest rate to -0.1% from 0%, adding that it would charge interest for excess reserves financial institutions park with it. The BoJ also lowered the growth and inflation outlook. It trimmed fiscal 2016 growth forecast to 1.2% from the previous projection of 1.5% and reduced the inflation outlook to 0.5% from 0.8%.

Policy rates

All major central banks aggressively trimmed their key interest rates, except the US and the UK, in CY 2015 and in the first quarter of CY 2016. While the UK maintained its interest rate at a record low 0.5%, the US broke the seven-year regime of zero rates by increasing the interest

rate to 0.25-0.50% in December 2015. However, following that the US Fed refrained from hiking the rate and has maintained dovish stance on the pace of future rate cuts.

Policy rates in major economies

Country	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
United States	0.0-0.25	0.0-0.25	0.0-0.25	0.0-0.25	0.0-0.25	0.0-0.25	0.0-0.25	0.0-0.25	0.0-0.25	0.25-0.50	0.25-0.50	0.25-0.50	0.25-0.50
United Kingdom	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Euro zone	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.00
Japan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.10	-0.10
China	5.35	5.35	5.1	4.85	4.85	4.6	4.6	4.35	4.35	4.35	4.35	4.35	4.35

Source: Central Banks, respective countries

Union Budget announcement helps Indian equities recover from lows

India's equity benchmarks S&P BSE Sensex and Nifty 50 lost 9.36% and 8.86%, respectively, over 12 months ended March 2016. Expectations of a US interest rate hike and the rupee's depreciation dented sentiments initially. Delays in the passage of key bills in the Parliament, concerns over weakness in the Chinese economy, the Paris terror attacks, rising geopolitical tensions between Russia and Turkey pulled equities down further. Concerns over weakness in the banking sector, results of the Bihar election and a disappointing railway budget triggered additional outflows.

However, the ECB's monetary stimulus measures to revive the Eurozone and S&P's retention of India's sovereign credit outlook gave investors reason to cheer. The government's move to stick to fiscal deficit targets at the Union Budget and to reduce interest rates for small savings schemes helped equities recover. Sentiment was enhanced further after the Real Estate Bill was passed in the Rajya Sabha. Among global triggers which prompted inflows, US Fed Chair Janet Yellen stated that further US interest rate hikes will be done in a gradual manner, having raised the policy rate in December.

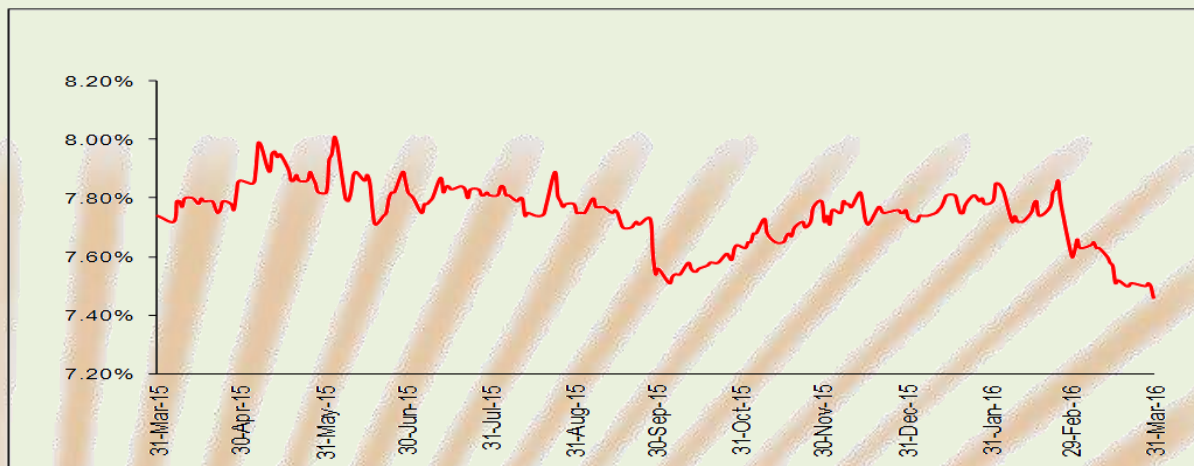
Nearly all sectoral indices ended down in fiscal 2015-16. S&P BSE Consumer Durables index emerged the sole gainer (up 10.2%) aided by increased purchases in the festive season and defensive buying during volatile phases. S&P BSE Metal index plunged 20.34% on weakening global commodity prices and concerns over the Chinese economy. S&P BSE Bankex fell 11.85% on weak earnings announcements by state-owned lenders, asset quality concerns in the sector, and as the Centre allocated a lower-than-expected Rs 25,000 crore towards recapitalisation of PSU banks in the Union Budget. Foreign institutional investors (FIIs) sold Rs 14,665 crore in Indian equities in the fiscal year vis-à-vis net purchases of Rs 1,11,355 crore in the previous fiscal.

Indian debt market

Inter-bank call money rates moved in a broad range of 6.5%-7.5% during the fiscal. Call rates were on the lower side, mainly because of regular fund infusion by the RBI via repo auctions and open market operations, and inflows from the government's month-end spending. To manage liquidity conditions, the central bank reduced the minimum daily requirement of the

cash reserve ratio (CRR) from 95% to 90%. It lowered the average ex-ante liquidity deficit in the system from 1% of net demand and time liabilities (NDTL) to neutrality, implying greater injection of liquidity. However, some spike in call rates was seen due to strong demand from banks to cover reserve requirements and outflows pertaining to indirect tax and corporate advance tax payments. Tight liquidity condition due to cash demand during some festivals also weighed on the inter-bank rates to a certain extent.

Chart 3: India - 10-year benchmark gilt yield



Government bond prices (gilts) rose sharply in the fiscal. The yield of the 10-year benchmark bond fell to 7.46% on March 31, 2016 from 7.74% on March 31, 2015. Sentiments for gilts improved primarily after the RBI's interest rate reductions amid easing inflation. The central bank slashed the repo rate thrice by a quantum of 100 bps. Among other developments that aided bond prices - the Centre retained its fiscal deficit target of 3.9% of GDP for fiscal 2016 and 3.5% of GDP for fiscal 2017 in the Union Budget, intermittent strength in the rupee, the government's move to cut interest rates in small savings schemes, the RBI's decision to permit bonds issued under the Ujwal DISCOM Assurance Yojana to be placed in the held-to-maturity (HTM) category, softening global crude oil prices, the Centre's increase in gilt purchase limits for FIs and S&P's decision to retain India's sovereign rating at BBB- with stable outlook. Global factors included - the US Fed put an end to uncertainty and raised interest rates by 25 bps in December 2015, marking a tightening in monetary policy for the first time in nearly a decade. However, further rise in prices were restricted owing to the rupee's fall against the US dollar and sporadic rise in global crude oil prices and US benchmark treasury yields.

Among major developments, the government decided to borrow Rs 3.55 lakh crore or 59.2% of the total borrowing requirement in the first half of the 2017 fiscal. Net market borrowing would be Rs 2.48 lakh crore, which is 58% of the net market borrowing of Rs 4.25 lakh crore budgeted for 2016-17. Further, it issued gold bonds in three tranches during fiscal 2016 as part of its market borrowing programme. It also acted on the suggestion of the RBI to buy back the WPI-linked inflation indexed bonds as the index is no longer the most important measure of prices. Government withdrew proposals to set up an independent public debt management agency (PDMA) and strip the RBI of authority to regulate government bonds.

The RBI raised limits on foreign ownership of bonds issued by the Indian government and states by an aggregate of Rs 27,500 crore, which could come into effect in April and July 2016. It also said the limit for Ways and Means Advances for the first half of the 2017 fiscal will be Rs 50,000 crore. Further, it formally announced denominating foreign investors' limit in government debt in rupee terms and said such investments will be capped at a maximum of 20% of the outstanding of any individual security. It also announced a 1% cut in the statutory

liquidity ratio (SLR) in four equal stages by January 2017. The central bank allowed companies to sell rupee-denominated bonds in overseas markets, and cross-holding of senior bonds of Indian banks subject to certain conditions. It also permitted banks to invest in long-term infrastructure bonds issued by other banks in a bid to boost infrastructure investment. It announced measures to encourage participation of retail and mid-segment investors in the government securities market.

SEBI cleared new norms for issuance and listing of green bonds. It also approved norms to make the electronic book mandatory for all debt private placement issues with a threshold above Rs 500 crore. The capital market regulator also notified new norms for banks to convert their debt into equity in distressed companies. Further, it brought out regulations on the issue and listing of debt securities issued by municipalities.

Global equity markets: Downward momentum

Fiscal 2016 was a turbulent year for global equity markets (MSCI World Index declined 5.3%), tracking discouraging global developments especially from China. Negative triggers were – a) tumble in crude oil prices b) China devaluing its currency - yuan - which sent deflationary impulses throughout the global economy, and c) the US Fed raising interest rate from 0% to 0.25%. Riskier emerging markets suffered (MSCI Emerging Market Index lost -14.1% in fiscal 2016) on weak global and domestic cues. Back home, Nifty 50 (down 8.9%) fell the least among its emerging markets peers, as losses made due to negative global cues were subsided by gains made due to fall in crude oil prices, positive government reforms and encouraging economic pointers.

The US equity market ended fiscal 2016 on a lower note. Dow Jones, S&P 500 and Nasdaq Composite ended down 0.5%, 0.4% and 0.6%, respectively. Markets were weak on worries about China and concerns over the rate hike by the US Fed. Later in the year, losses were capped following fresh stimulus measures from the ECB and as the US Fed maintained a dovish stance on future rate hikes.

European equities too finished fiscal 2016 on a dim note, pulled down by fear of global economic growth and the commodity rout. The Nikkei nosedived 12.8% as a stronger yen against the dollar hit the exporters-oriented benchmark.

Asian equities corrected in fiscal 2016, following the China's economic turmoil. Singapore's Strait Times Index was the biggest loser, down 17.5%, followed by Hong Kong's Hang Seng, down 16.5%.

Returns of key world markets in fiscal 2016

Index	Country/Region	Returns (%)*
Americas		
DOW JONES INDUSTRIAL AVERAGE (DJIA)	US	-0.51
S&P 500 INDEX	US	-0.39
NASDAQ COMPOSITE	US	-0.63
BRAZIL IBOVESPA INDEX	Brazil	-2.14
MEXICO IPC INDEX	Mexico	4.93
Europe		
FTSE 100 INDEX	UK	-8.83
CAC 40 INDEX	France	-12.88
DAX INDEX	Germany	-16.72

Index	Country/Region	Returns (%)*
Asia		
NIKKEI 225	Japan	-12.75
HANG SENG INDEX	Hong Kong	-16.56
STRAIT TIMES INDEX	Singapore	-17.58
NSE NIFTY 50 INDEX	India	-8.86
Regional Indices		
MSCI EMERGING MARKET	Emerging markets	-14.14
MSCI WORLD	World	-5.32
MSCI AC ASIA x JAPAN	Asia-Ex Japan	-13.96
MSCI EUROPE	Europe	-16.00

*From March 31, 2015 to March 31, 2016. For indices which were not traded on these dates, the nearest dates were selected.

International Debt and Gilt Markets (US)

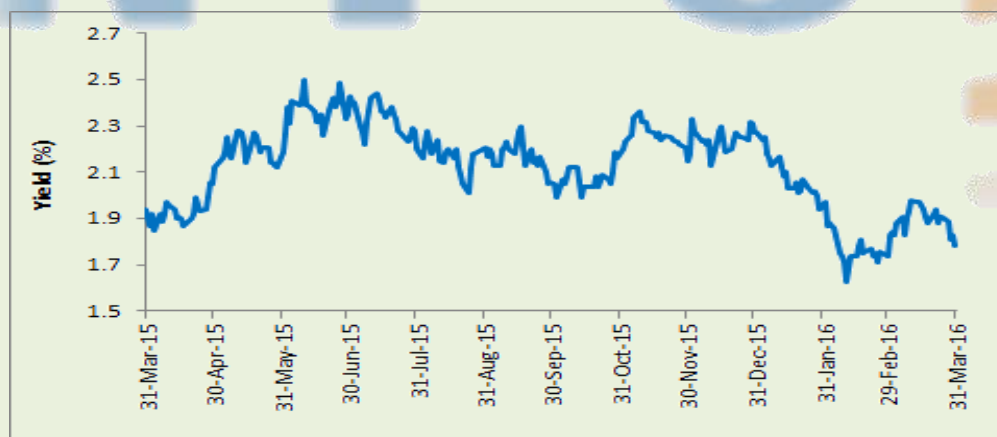
The US treasury prices rose in fiscal 2016 amid fall in global risk appetite due to concerns about health of the global economy. The yield on the 10-year benchmark paper fell to 1.79% on March 31, 2016 from 1.93% on March 31, 2015.

The bond market benefitted from developments such as

- Uncertainty about Greece's future in the Eurozone early in the year
- Concerns about slowing Chinese economy
- The US Fed's dovish stance on the pace of future rate cut after hiking interest rate in December 2015
- Aggressive monetary easing from the Eurozone, Japan and China
- Geo-political tension in the Middle-East, unrest between Russia and Turkey, and a nuclear test conducted by North Korea

However, gains were capped at regular intervals due to reasons such as US Fed hiking interest rate for the first time in nearly a decade in December, Greece securing bailout from international creditors, rise in German bond yields and the selloff in global bond markets due to easing deflation worries in the Eurozone.

Chart 2: The US 10-year government bond yield



Indian Mutual Fund Industry

A net inflow of over Rs 1 trillion in equity funds helped the mutual fund industry grow its average assets under management (AUM) 14% to Rs 13.53 trillion in the fiscal year ended March, 31, 2016, according to numbers released by the Association of Mutual Funds in India (AMFI). However, growth was muted compared with the 31% gain seen the previous fiscal. Month-end AUM also grew 14% y-o-y to Rs 12.33 trillion in March 2016 versus 31% y-o-y growth in March 2015.

Equity funds' average AUM rose 15.35% or by Rs 586 billion to Rs 4.40 trillion in fiscal 2016 as investors continued to plough money back despite market volatility. The category attracted inflows over Rs 1 trillion in the year, but mark-to-market losses capped the AUM rise. The underlying asset class (as represented by the Nifty 50) lost nearly 9% in fiscal 2016. Debt funds' AUM rose 13.27% driven by short-term debt, ultra short-term and money market funds. Long-term debt funds performed better in the first half of fiscal 2016 on the back of easing interest rate in the country.

The industry remained top heavy with the leading five fund houses comprising 56% of AUM and the leading 10 fund houses comprising 80% of AUM. The industry continued to see some consolidation in fiscal 2016 in line with the trend seen in the previous years: Reliance Capital Asset Management acquired Goldman Sachs' fund management unit in India, while Edelweiss Asset Management acquired JP Morgan Asset Management. Among stake sales, Religare Enterprises sold its 51% stake in Religare Invesco Asset Management to Invesco and Union Bank of India bought Belgium's KBC Asset Management Company's entire 49% stake in mutual fund joint venture Union KBC Asset Management Company.

Among major regulatory initiatives, SEBI asked fund houses to shift from colour coding to a new format called Riskometer from July 1, 2015 with an aim to aid investors in taking informed decisions. The Riskometer helps analyse the risk in a mutual fund scheme through five levels as opposed to three earlier. To strengthen the risk management practices, the SEBI asked asset managers to conduct monthly stress tests on their liquid and money market mutual fund portfolios to improve risk management across the sector. It asked fund houses to report downgrades in bonds in which they invest, to their trustees on a real-time basis and to the regulator on a monthly basis. It asked mutual fund houses to rely on their own risk assessment rather than depend on grades assigned by credit rating agencies while picking portfolios. The regulator tightened its norms for mutual funds' exposure to riskier corporate bonds including capping the investment limit in bonds of a single company at 10% to safeguard investors' interest against over-exposure of mutual funds to riskier corporate bonds. In a pro-industry measure, the SEBI simplified norms for mutual funds managing offshore money to enable them garner more AUM for their offshore business. It also dropped the 20-25 rule which requires a minimum of 20 investors and a cap of 25% on investments by an individual, for funds from low-risk foreign investors. It has made mandatory for mutual fund houses to disclose details of their investor awareness programmes and also asked all fund houses to share compensation details, including stock options, of senior officials for the past three years. It informed the mutual fund industry that it will not clear new launches until fund houses merge existing schemes with similar characteristics. Last year, the Union Budget announced tax exemption for merger or consolidation of mutual fund schemes. This year, the provision has been extended to cover consolidation of mutual fund plans within a scheme. This measure is expected to result in consolidation of all plans of a mutual fund scheme and is consistent with SEBI's guidelines for single plans.

The Central Board of Direct Taxes said the rollover of mutual fund fixed maturity plans (FMPs) beyond 36 months will not attract capital gains. This is applicable in case the rollover takes place in the same scheme. The move will bring in major relief for investors as capital gains will arise at the time of redemption of the units or opting out of the scheme and not during the rollover of FMP beyond 36 months. Investors who rolled over their FMPs after July 11, 2014, due to the change in long-term capital gains calculation period from 12 months to 36 months in the interim budget, will benefit from the clarity.

Association of Mutual Funds of India (AMFI) has agreed to cap mutual fund agents' upfront commission at 1% of the total amount that an investor invests in a scheme, effective January 1, 2016. This move aims to enforce the cap intended to check mis-selling of mutual fund schemes. It also ensures that AMCs follow the best practice guidelines for rationalisation of distributor commissions. AMFI has asked mutual funds to mandatorily provide additional KYC information pertaining to gross annual income and net worth of new investors. This move is aimed to bring uniformity in KYC requirements and ensure compliance to the provision of information on ultimate beneficial ownership and implementation of the new global tax avoidance law - Foreign Account Tax Compliance Act.

Indian Insurance Industry

On the regulatory front

- IRDAI allowed life insurers to charge up to Rs 100 to holders for cancellation or change in nomination in insurance policies.
- It allowed corporate agents to tie up with up to three insurers each in life, non-life and health insurance segments.
- IRDAI said transfer of shares in insurers that leads to shareholding change will not be allowed.
- It said no Indian investor will be allowed to hold shares exceeding 10% of the paid-up equity shares in an insurance company.
- IRDAI mandated a minimum 26% equity holding by an Indian promoter in an insurance joint venture.
- It said foreign reinsurers must have a minimum credit rating of stable outlook from a renowned international agency for at least five years to set up branch offices in India. It also said applicants should have a minimum net owned fund of Rs 5,000 crore at any time.
- IRDAI said foreign reinsurers setting up branch offices in India will have to be reinsurance business for at least 10 years.
- It has asked insurance marketing firms (IMFs) not to use the word 'firm' while applying for a registration with the Registrar of Companies as it may indicate a separate kind of business constitution.
- IRDAI said general insurers cannot impose any restrictions with regards to purchase of motor insurance policies.
- IRDAI said gilt ETFs will be part of approved investments for insurers.
- It has decided not to give foreign partners in insurance companies in India any additional rights when they increase their stake from 26% to 49%.
- It removed the capping of insurance business from one insurer by a bank.
- It said all insurance policies can be held in the digital format.
- It said equity investments in CNX 200 or BSE 200 can only be considered as approved investments.

- It tightened norms to check insurance mis-selling by banks and has decided to seek an undertaking from the CEO and the CFO of the corporate agent that there is no forced selling of an insurance product to customers at periodic intervals.

Among other developments:

IRDAI...

- Launched a public campaign to create awareness among policyholders about spurious calls.
- Sought details of corporate bond investments made by large insurers.
- Asked insurance companies to correct pricing anomalies of policies offered to customers based on scientific analysis of claims.
- Said improper handling of complaints by insurers is giving rise to aggravated customer dissatisfaction and escalation in complaints to higher authorities.
- Launched an awareness campaign on motor third-party insurance jointly with Cyberabad Police.
- Said policyholders should be issued premium acknowledgement immediately.
- Said insurance companies' rural and social sector obligations will depend on how long they have been in business.

International Pension Market

A study by Towers Watson, a consultancy that advises institutional investors including pension funds on investment and risk management, shows that at the end of 2015, pension assets for the 19 major pension markets were estimated at USD 35,316 bn, representing a 0.9% decrease compared with 2014 year-end value. The US, the UK and Japan – the largest pension markets – have 61.5%, 9.0% and 7.7% share in the total pension assets, respectively. In USD terms pension assets in these markets grew 0.3%, -2.1% and 2.0% respectively. The asset allocation of the seven biggest pension markets (Australia, Canada, Japan, the Netherlands, Switzerland, the UK and the US) shows that since 1996, allocation to other assets have increased while allocation to equities and bonds have decreased. In 2015, among the seven countries, the US, Australia and the UK have higher allocations to equities than the rest. Switzerland, Japan and the Netherlands had higher allocation to bonds. In the 19 major pension markets, global pension assets to GDP ratio reached 80% at the end of 2015. In the past 10 years, defined contribution (DC) assets have grown at 7.1% per annum while defined benefit assets have grown at a slower pace of 3.4% per annum. At the end of 2015, DC assets represented 48.4% of total pension assets (in the seven biggest pension market), in line with the established trend towards the growing dominance of DC pension. (Source: *Global-Pensions-Asset-Study-2016*)

Indian Pension Market

Internationally, Pension industry is the largest mobilizer of funds and uses them for investments in the various asset classes. In the process, Pension Industry plays a major role in the world economy. As a measure of the size of the market, 19 major pension markets in the world were about US\$ 35 trillion in assets. USA is the largest Pension market in the world with assets of about US \$ 22 Trillion. Average 10 year CAGR in the assets of these top 19 markets has been 5.1%. The US continues to be the biggest market in terms of pension assets followed by UK and Japan where they together account for over 78.2% of total global assets. This will give you an estimate of the size and huge potential of the pension sector. (Source: *Global-Pensions-Asset-Study-2016*)

Indian Pension Sector is the Sunrise Industry of the financial sector in the country and as compared to the developed countries and some other parts of the world, especially some of the Latin American countries; we have been a late starter in introducing a regulatory framework and a universal pension product. Indian Pension industry has so far largely covered organized sector, constituting slightly more than one tenth of the Indian population, a fact which in itself states the enormity of task ahead. Pension sector in India has been, so far, characterized by the 'Defined Benefit' (DB) pension schemes for the Government (both Central & State) employees as well as some institutional bodies; corporates., mostly from Public Sector Undertakings / Banks. EPFO has been the other provider of a pension product, albeit under 'Defined Contribution' (DC) category, where the EPFO Act mandates contribution for all organized sector employees drawing salary of Rs. 15000 or less. The other layer is provided by the myriad superannuation funds in the corporate sector.

The absence of a country-wide social security system (formal pension coverage being about 8% of the retirees within the private sector), the ageing population and social change in the society were the important considerations for introducing pension reform in the unorganised sector in our country. At the same time, fiscal stress of the defined benefit pension system was the major factor driving pension reforms for employees in the government sector. A series of discussion, public debate were held on the subject, involving the entire spectrum of the stakeholder and as a culmination, the Government of India established PFRDA as the regulatory body for the Pension Sector in India. PFRDA was also mandated by the Government of India to implement the National Pension System (NPS) initially for the new entrants to Central Government service, except to Armed Forces, which was later on extended to the State Governments and the all citizens of the country. The design features of the New Pension System (NPS) are self-sustainability, scalability, individual choice, and maximising outreach, low-cost yet efficient, and pension system based on sound regulation. To make NPS more attractive, finance minister in the Union Budget has made withdrawal on NPS tax-free upto 40% of the total corpus accumulated. 'Atal Pension Yojana' was introduced to cover low income group where the subscribers would receive the fixed minimum pension of Rs. 1000 per month, Rs. 2000 per month, Rs. 3000 per month, Rs. 4000 per month, Rs. 5000 per month, at the age of 60 years under 'Atal Pension Yojana', depending on their contributions, which itself would be based on the age of joining the APY. Therefore, the benefit of minimum pension would be guaranteed by the Government.

National Pension System (NPS)

NPS Schemes showed a robust overall growth of 46.94% in its AUM during the financial year, as shown in Table I. All the schemes witnessed double-digit growth. Tier 1 and Corporate CG scheme recorded high growth of 79.15% and 65.77% in terms of AUM.

Scheme CG for central government employees posted 31.03% growth in its AUM during the year. On the other hand, Scheme SG's assets grew by 58.51% during the year.

**TABLE I : Asset Under Management (AUM) Break up in NPS - Growth Scheme Wise
Position as on Quarter ended 31st March 2016**

Amt. Rs. in Crores

Schemes	Actuals - AUM as on 31st March 2016			Growth in AUM			
	Mar-14	Mar-15	Mar-16	YoY Mar 15 over Mar 14		YoY Mar 16 over Mar 15	
				Amount	%	Amount	%
Equity Tier I	355.56	654.50	1,181.46	298.95	84.08%	526.95	80.51%
Equity Tier II	26.10	43.54	60.44	17.44	66.81%	16.90	38.81%
Equity Total	381.66	698.04	1,241.89	316.39	82.90%	543.85	77.91%
% Share in Total AUM	0.8%	0.9%	1.0%	1.0%		1.4%	
Bonds Tier I	246.46	468.76	887.78	222.30	90.20%	419.02	89.39%
Bonds Tier II	24.27	37.48	55.10	13.21	54.42%	17.61	46.99%
Bonds Total	270.73	506.24	942.88	235.51	86.99%	436.63	86.25%
% Share in Total AUM	0.6%	0.6%	0.8%	0.7%		1.2%	
G Sec Tier I	408.97	771.29	1,324.79	362.32	88.59%	553.50	71.76%
G Sec Tier II	20.44	35.68	54.35	15.24	74.58%	18.66	52.31%
G Sec Total	429.41	806.97	1,379.13	377.56	87.93%	572.16	70.90%
% Share in Total AUM	0.9%	1.0%	1.2%	1.2%		1.5%	
Sub Total Tier I	1,010.99	1,894.55	3,394.02	883.57	87.40%	1,499.47	79.15%
Sub Total Tier II	70.81	116.71	169.88	45.89	64.81%	53.17	45.56%
Tier I + Tier II	1,081.80	2,011.26	3,563.90	929.46	85.92%	1,552.64	77.20%
NPS Lite	843.33	1,605.72	2,107.55	762.40	90.40%	501.83	31.25%
APY	-	-	506.34	-	-	506.34	-
Corporate CG	1,809.32	4,105.12	6,805.05	2,295.81	126.89%	2,699.92	65.77%
Sub Total (Pvt Sector)	3,734.44	7,722.11	12,982.84	3,987.66	106.78%	5,260.73	68.13%
% Share in Total AUM	7.8%	9.6%	10.9%	12.2%		13.9%	
Central Govt	24,172.06	36,736.77	48,134.78	12,564.71	51.98%	11,398.01	31.03%
% Share in Total AUM	50.2%	45.4%	40.5%	38.4%		30.0%	
State Govt	20,198.04	36,396.26	57,692.50	16,198.22	80.20%	21,296.24	58.51%
% Share in Total AUM	42.0%	45.0%	48.6%	49.5%		56.1%	
Sub Total (Govt.)	44,370.10	73,133.03	105,827.28	28,762.93	64.83%	32,694.25	44.71%
% Share in Total AUM	92.2%	90.4%	89.1%	87.8%		86.1%	
Grand Total	48,104.54	80,855.14	118,810.12	32,750.59	68.08%	37,954.98	46.94%

Notes for Mar 2016:

1. DVC **194.10** cr is shown under SG

2. Corporate CG does not include AUM of DVC

There was a healthy growth in the AUM of all the NPS Scheme for the unorganized / private sector as shown in Table II given below. The increase in AUM is significantly high at 46.9%, while in absolute terms, the corpus increased by Rs 37954 Crores.

TABLE II : Asset Under Management (AUM) Break up in NPS - Growth - Subscriber Class Wise Position as on Quarter ended 31st March 2016						Amount: Rupees in Crores	
Subscriber Class	Actuals - AUM as on 31st March 2016			Growth in AUM			
	Mar-14	Mar-15	Mar-16	YoY March 15 over Mar 14		YoY March 16 over Mar 15	
				Amount	%	Amount	%
NPS Main	365.3	594.0	1,272.88	228.7	62.6%	678.9	114.3%
% Share in Pvt. Sector	9.5%	7.5%	9.7%	5.7%		14.2%	
% Share in Total NPS	0.8%	0.7%	1.1%	0.7%		1.8%	
NPS Corporate	2627.6	5674.8	9,290.05	3047.2	116.0%	3615.3	63.7%
% Share in Pvt. Sector	68.6%	72.1%	70.5%	75.4%		75.4%	
% Share in Total NPS	5.5%	7.0%	7.8%	9.3%		9.5%	
NPS Lite	839.3	1605.7	2,107.55	766.4	91.3%	501.8	31.3%
% Share in Pvt. Sector	21.9%	20.4%	16.0%	19.0%		10.5%	
% Share in Total NPS	1.7%	2.0%	1.8%	2.3%		1.3%	
APY	0.0	0.0	506.34	0.0	-	506.3	-
% Share in Pvt. Sector	0.0%	0.0%	3.8%	0.0%		10.6%	
% Share in Total NPS	0.0%	0.0%	0.4%	0.0%		1.3%	
Sub Total (Pvt Sector)	3832.2	7874.5	13176.8	4042.3	105.5%	4796.0	60.9%
% Share in Total NPS	8.0%	9.7%	11.1%	12.3%		12.6%	
Central Govt	24177.1	36736.8	48,135.03	12559.8	51.9%	11398.2	31.0%
% Share in Govt. Sector	54.6%	50.3%	45.6%	43.7%		34.9%	
% Share in Total NPS	50.3%	45.4%	40.5%	38.3%		30.0%	
State Govt	20095.3	36243.9	57,498.27	16148.6	80.4%	21254.4	58.6%
% Share in Govt. Sector	45.4%	49.7%	54.4%	56.3%		65.1%	
% Share in Total NPS	41.8%	44.8%	48.4%	49.3%		56.0%	
Sub Total (Govt.)	44272.3	72980.7	105633.3	28708.3	64.8%	32652.6	44.7%
% Share in Total NPS	92.0%	90.3%	88.9%	87.7%		86.0%	
Grand Total - NPS	48104.55	80855.14	118,810.12	32750.59	68.1%	37954.98	46.9%

Note:

1. NPS main includes UoS Tier II AUM also
2. Corporate includes DVC

Employees' Provident Fund Organization (EPFO)

EPFO was set up in 1952, which administers the Employee Provident Fund (EPF), one of the world's biggest social security providers in terms of volumes. EPF is mandatory for the organised sector and companies/organisations are required to statutorily comply with respect to all employees drawing wages up to Rs 15,000 per month. It offers a provident fund and a pension scheme. EPF requires equal contributions by the employer and the employee. All the functions/ processes of EPF and Employee Pension Scheme (EPS) are handled by the EPFO, except fund management. Some establishments, which are under the purview of EPFO, are allowed to manage their own funds. EPFO treats them as exempted funds. These exempted funds are, however, required to follow the same investment pattern as that followed by EPFO and are required to match the returns of the EPFO.

About 7.96 lakh establishments are covered; there are 1,178 lakh member accounts as on March 31, 2014 up from 7.43 lakh establishments and 888 lakh member accounts as on March 31, 2013 – a growth of 7.10% in the number of establishments and a growth of 32.73% in the number of member accounts.

In 2013-14, EPFO's investment corpus increased to Rs 7.39 trillion from Rs 6.32 trillion a year ago, a year on year growth of 16.91%. EPF subscribers' accounts will be credited with interest at the rate of 8.80% for 2015-16, which is higher by 50 bps from the interest rate declared in 2014-15.

Performance of Pension Fund Managers

The position of the corpus / AUM with the Pension Fund Managers is shown in the following table:-

PFM	AUM (in Mn)			
	31-Mar-15	31-Mar-16	Increase in AUM	
			Amount	%
SBI Pension Fund Pvt. Ltd.	314071	460188	146,117	46.52
UTI Retirement Solution Ltd.	248314	359182	110,868	44.65
LIC Pension Fund Ltd.	240101	355119	115,017	47.90
ICICI Prudential Pension Funds Management Company Ltd.	3690	7011	3,321	90.01
Kotak Mahindra Pension Fund Ltd.	1075	1727	652	60.68
Reliance Capital Pension Fund Ltd.	770	1112	343	44.50
HDFC	531	3762	3,231	608.82
Total	808,552	1,188,102	379,550	46.94

All the PFMs continued to witness good growth in assets under management. All the PFMs maintained their relative ranking in terms of size of AUM with SBI PF having the largest corpus. HDFC Pension Management Company Limited registered the highest growth in AUM in percentage terms.

Funds of Central Government Employees
Performance: Scheme CG (as on March 31, 2016)

SCHEME CG											
PFM	Financial Year Return (%)							Trailing Return (%)			
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1-Yr	2-Yr	3-Yr	Since Inception
LIC	12.27	8.3	5.8	12.06	5.93	18.96	5.99	5.99	12.23	10.11	9.83
SBI	8.88	8.05	5.81	12.75	3.92	19.38	6.47	6.47	12.74	9.70	10.20
UTI	9.27	8.45	5.52	12.26	5.04	18.58	6.24	6.24	12.21	9.76	9.70

Note: Returns above 1 year periods are annualized

Funds of State Government Employees
Performance: Scheme SG (as on March 31, 2016)

SCHEME SG										
PFM	Financial Year Return (%)						Trailing Return (%)			
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1-Yr	2-Yr	3-Yr	Since Inception
LIC	10.77	6.68	12.75	5.87	19.43	5.97	5.97	12.44	10.22	9.88
SBI	9.88	6.8	13.01	3.83	19.80	6.62	6.62	13.02	9.85	9.69
UTI	11.34	6.04	13.22	4.70	18.82	6.30	6.30	12.36	9.74	9.71

Note: Returns above 1 year periods are annualized

Funds of Unorganized / Private Sector
Performance: Scheme E – Tier I (as on March 31, 2016)

SCHEME E - TIER I										
PFM	Financial Year Return (%)						Trailing Return (%)			
	FY2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1-Yr	2-Yr	3-Yr	Since Inception
ICICI	11.83	-7.75	9.05	21.18	28.65	-7.37	-7.37	9.16	13.03	10.46
Kotak	11.89	-10.23	11.52	19.48	28.41	-6.88	-6.88	9.28	12.63	9.11
Reliance	10.77	-10.49	7.75	20.20	28.30	-7.26	-7.26	9.08	12.67	9.50
SBI	8.05	-7.18	8.24	20.68	28.37	-7.16	-7.16	9.17	12.88	7.86
UTI	8.35	-10.58	7.42	21.29	29.74	-6.72	-6.72	10.01	13.44	10.10
DSP	-	-	-	-	-	-	-	-	-	-
HDFC	-	-	-	-	28.63	-7.47	-7.47	9.10	-	14.30*
LIC	-	-	-	-	27.51	-7.91	-7.91	8.24	-	11.00*
IDFC	8.89	-9.32	-	-	-	-	-	-	-	-
S&P BSE SENSEX	10.94	-10.5	8.23	18.60	24.92	-9.33	-9.33	6.47	10.36	12.23
CNX Nifty	11.14	-9.23	7.31	17.83	26.56	-8.84	-8.84	7.46	10.80	12.27

Returns above 1 year periods are annualized

* Inception dates: LIC → July 23, 2013; HDFC → August 01, 2013

Performance: Scheme E – Tier II (as on March 31, 2016)

SCHEME E - TIER II										
PFM	Financial Year Return (%)						Trailing Return (%)			
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1-Yr	2-Yr	3-Yr	Since Inception
ICICI	10.12	-10.41	9.79	21.14	28.66	-7.39	-7.39	9.15	13.01	7.40
Kotak	11.66	-9.8	11.33	19.50	28.12	-6.67	-6.67	9.29	12.63	7.99
Reliance	5.37	-10.37	7.79	20.67	28.25	-7.22	-7.22	9.08	12.81	7.74
SBI	7.86	-7.51	8.26	20.37	28.64	-7.13	-7.13	9.30	12.87	7.29
UTI	10.16	-10.74	7.63	20.51	31.04	-6.54	-6.54	10.66	13.63	7.64
DSP	-	-	-	-	-	-	-	-	-	-
HDFC	-	-	-	-	22.77	-7.17	-7.17	6.76	-	8.08*
LIC	-	-	-	-	21.46	-7.29	-7.29	6.05	-	4.12*
IDFC	7.05	-9.46	-	-	-	-	-	-	-	-
S&P BSE SENSEX	10.94	-10.5	8.23	18.60	24.92	-9.33	-9.33	6.47	10.36	6.45
CNX Nifty	11.14	-9.23	7.31	17.83	26.56	-8.84	-8.84	7.46	10.80	6.82

Returns above 1 year periods are annualized

* Inception dates: LIC → August 12, 2013; HDFC → August 01, 2013

Performance: Scheme C – Tier I (as on March 31, 2016)

SCHEME C - TIER I										
PFM	Financial Year Return (%)						Trailing Return (%)			
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1-Yr	2-Yr	3-Yr	Since Inception
ICICI	9.41	11.43	14.22	6.22	15.72	9.77	9.77	12.71	10.50	11.07
Kotak	10.86	10.19	15.01	5.77	15.22	9.46	9.46	12.27	10.06	11.02
Reliance	8.12	8.13	13.89	6.89	15.04	9.12	9.12	12.04	10.30	9.41
SBI	12.66	11.07	14.27	5.24	15.70	8.72	8.72	12.16	9.78	11.16
UTI	9.2	10.19	13.41	6.14	15.09	8.83	8.83	11.88	9.93	9.60
DSP	-	-	-	-	-	-	-	-	-	-
HDFC	-	-	-	-	15.20	9.20	9.20	12.16	-	11.80*
LIC	-	-	-	-	15.43	9.46	9.46	12.36	-	12.00*
IDFC	6.26	9.15	-	-	-	-	-	-	-	-

Returns above 1 year periods are annualized

*Inception dates: LIC → July 23, 2013; HDFC → August 01, 2013

Performance: Scheme C – Tier II (as on March 31, 2016)

SCHEME C - TIER II										
PFM	Financial Year Return (%)						Trailing Return (%)			
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1-Yr	2-Yr	3-Yr	Since Inception
ICICI	10.74	12.27	13.6	6.10	15.91	9.46	9.46	12.64	10.42	10.99
Kotak	7.2	9.7	13.15	5.76	15.19	8.61	8.61	11.82	9.76	9.53
Reliance	7.28	7.86	12	6.04	14.97	8.80	8.80	11.84	9.88	9.15
SBI	14.46	10.73	12.69	4.15	15.62	8.60	8.60	12.06	9.33	10.80
UTI	7.62	11.4	12.95	5.75	15.30	8.57	8.57	11.85	9.78	9.85
DSP	-	-	-	-	-	-	-	-	-	-
HDFC	-	-	-	-	9.51	8.94	8.94	9.22	-	9.25*
LIC	-	-	-	-	12.37	8.26	8.26	10.26	-	9.42*
IDFC	6.02	10.02	-	-	-	-	-	-	-	-

Returns above 1 year periods are annualized

* Inception dates: LIC → August 12, 2013; HDFC → August 01, 2013

Performance: Scheme G – Tier I (as on March 31, 2016)

SCHEME G - TIER I										
PFM	Financial Year Return (%)						Trailing Return (%)			
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1-Yr	2-Yr	3-Yr	Since Inception
ICICI	7.71	6.07	13.84	1.51	20.75	6.97	6.97	13.65	9.45	8.71
Kotak	9.14	6.14	13.61	0.84	19.63	7.54	7.54	13.40	9.05	8.57
Reliance	7.65	5.63	13.74	0.89	20.24	7.22	7.22	13.54	9.16	8.22
SBI	12.25	5.46	13.48	0.23	20.73	7.16	7.16	13.74	9.03	9.85
UTI	12.52	3.75	13.57	0.93	20.18	7.16	7.16	13.46	9.12	8.46
DSP	-	-	-	-	-	-	-	-	-	-
HDFC	-	-	-	-	19.88	6.77	6.77	13.14	-	11.04*
LIC	-	-	-	-	20.93	6.50	6.50	13.46	-	12.08*
IDFC	6.97	5.9	-	-	-	-	-	-	-	-

Returns above 1 year periods are annualized

* Inception dates: LIC → July 23, 2013; HDFC → August 01, 2013

Performance: Scheme G – Tier II (as on March 31, 2016)

SCHEME- GTIER II										
PFM	Financial Year Return (%)						Trailing Return (%)			
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1-Yr	2-Yr	3-Yr	Since Inception
ICICI	6.43	6.36	14.36	1.12	20.70	7.05	7.05	13.68	9.32	8.89
Kotak	6.40	5.37	12.86	1.18	19.90	7.66	7.66	13.59	9.29	8.42
Reliance	4.68	5.76	13.68	0.87	20.44	7.37	7.37	13.72	9.26	8.58
SBI	11.82	5.31	13.47	0.39	20.57	7.28	7.28	13.73	9.08	10.10
UTI	16.44	3.81	13.52	0.51	20.27	7.28	7.28	13.56	9.03	9.71
DSP	-	-	-	-	-	-	-	-	-	-
HDFC	-	-	-	-	19.45	6.83	6.83	12.96	-	11.96
LIC	-	-	-	-	19.94	6.75	6.75	13.12	-	12.70
IDFC	6.00	7.22	-	-	-	-	-	-	-	-

Returns above 1 year periods are annualized

* Inception dates: LIC → August 12, 2013; HDFC → August 01, 2013

Performance: Scheme NPS Lite (as on March 31, 2016)

Scheme NPS Lite									
PFM	Financial Year Return (%)					Trailing Return (%)			
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1-Yr	2-Yr	3-Yr	Since Inception
Kotak	-	14.58	5.18	19.23	6.37	6.37	12.57	10.06	10.85
LIC	10.1	13.02	5.91	19.52	5.72	5.72	12.33	10.18	10.57
SBI	8.7	13.83	4.11	19.52	6.30	6.30	12.72	9.75	10.83
UTI	8.55	13.18	4.90	19.20	5.83	5.83	12.28	9.76	10.61

For Kotak inception date is Jan 31, 2012.

Returns above 1 year periods are annualized

Performance: Scheme Corporate – CG (as on March 31, 2016)

Scheme Corporate CG								
PFM	Financial Year Return (%)				Trailing Return (%)			
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1 year	2-Yr	3-Yr	Since Inception
LIC	-	5.63	19.53	5.72	5.72	12.34	10.09	10.13
SBI	-	3.31	19.99	6.54	6.54	13.06	9.69	10.02
UTI	-	-	-	-	-	-	-	-

Returns above 1 year periods are annualized

UTI Scheme Corporate CG ended in the financial year 2013-14

Performance: Atal Pension Yojana (as on March 31, 2016)

Atal Pension Yojana								
PFM	Financial Year Return (%)				Trailing Return (%)			
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	1 year	2-Yr	3-Yr	Since Inception
LIC	-	-	-	-	-	-	-	7.13*
SBI	-	-	-	-	-	-	-	4.37*
UTI	-	-	-	-	-	-	-	6.94*

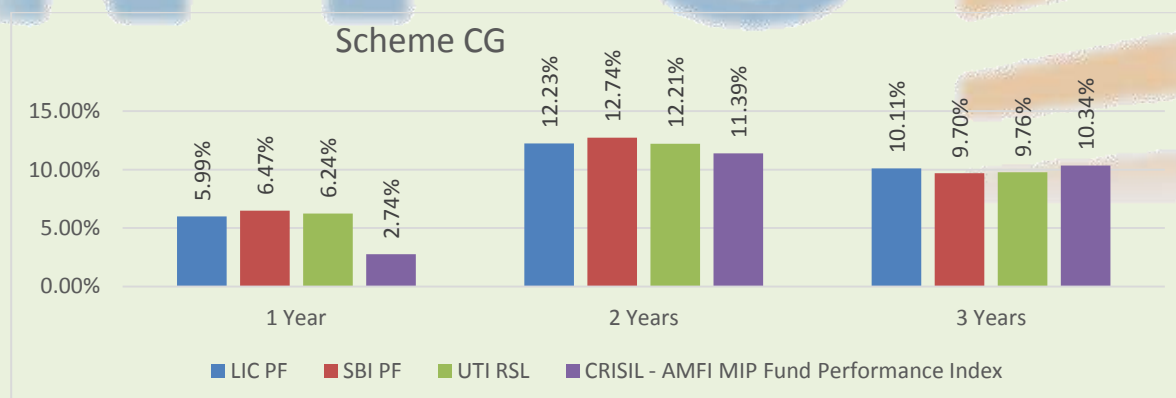
*Absolute returns as the Inception date for Atal Pension Yojana is June 04, 2015

Performance of PFMs vis-à-vis Mutual Fund Industry

To assess the performance of NPS schemes vis-à-vis mutual funds, returns delivered by respective PFMs in each category has been compared with relevant CRISIL AMFI MF performance indices. CRISIL – AMFI MF Performance Indices are industry level indices that track the performance of different categories of mutual funds across time frames and market cycles. The key highlights of performance comparison of NPS schemes vis-à-vis CRISIL AMFI MF performance indices as on March 31, 2016 are as follows:

- All PFMs in Scheme CG, Scheme SG, Scheme NPS Life, and Scheme Corporate CG have outperformed the CRISIL - AMFI MIP Fund Performance Index for one year and two year periods, while underperformed for three year period.
- Equity schemes (Scheme E – Tier I and Scheme E – Tier II) of all PFMs have underperformed CRISIL - AMFI Large Cap Fund Performance Index in two year and three year period.
- Corporate debt schemes (Scheme C – Tier I and Scheme C – Tier II) of all PFMs have delivered superior returns to CRISIL - AMFI Income Fund Performance Index in one year, two year and three year periods.
- Gilt schemes (Scheme G – Tier I and Scheme G – Tier II) of all PFMs have outperformed CRISIL - AMFI Gilt Fund Performance Index in one year, two year and three year periods.

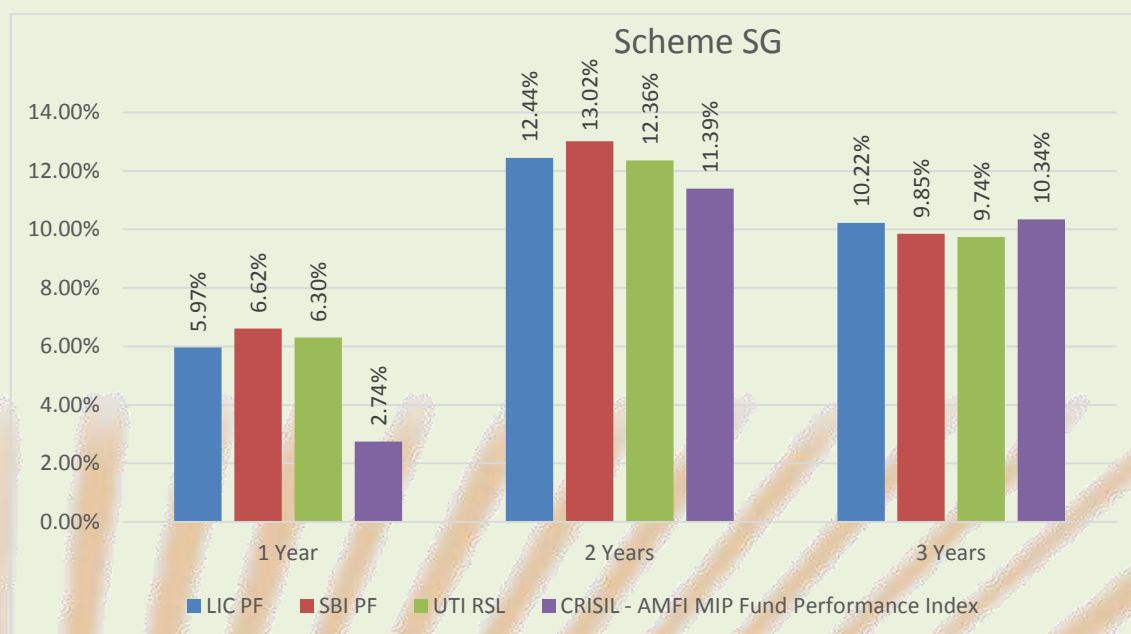
Performance: Scheme CG Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns

In scheme CG, all the PFMs outperformed the CRISIL - AMFI MIP Fund Performance Index for one year and two year periods, while underperformed for three year period.

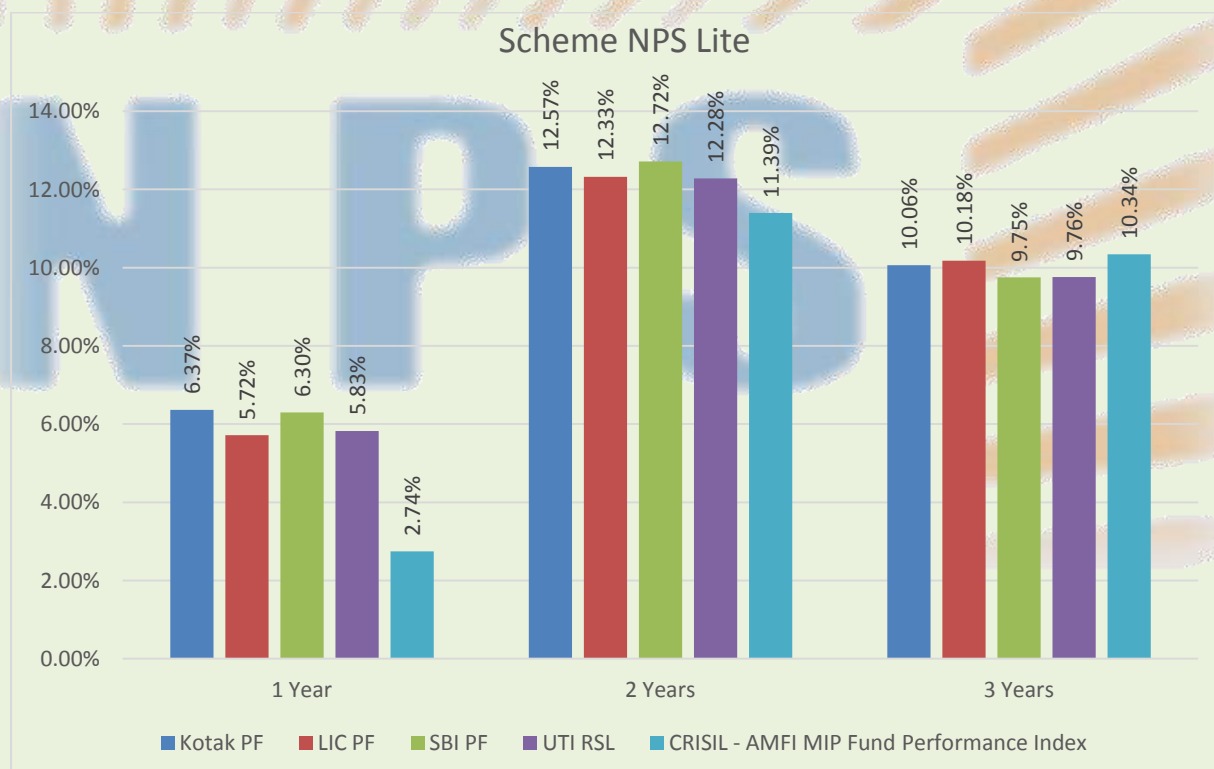
Performance: Scheme SG Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns

In scheme SG, all the PFMs outperformed the CRISIL - AMFI MIP Fund Performance Index for one year and two year periods, while underperformed for three year period.

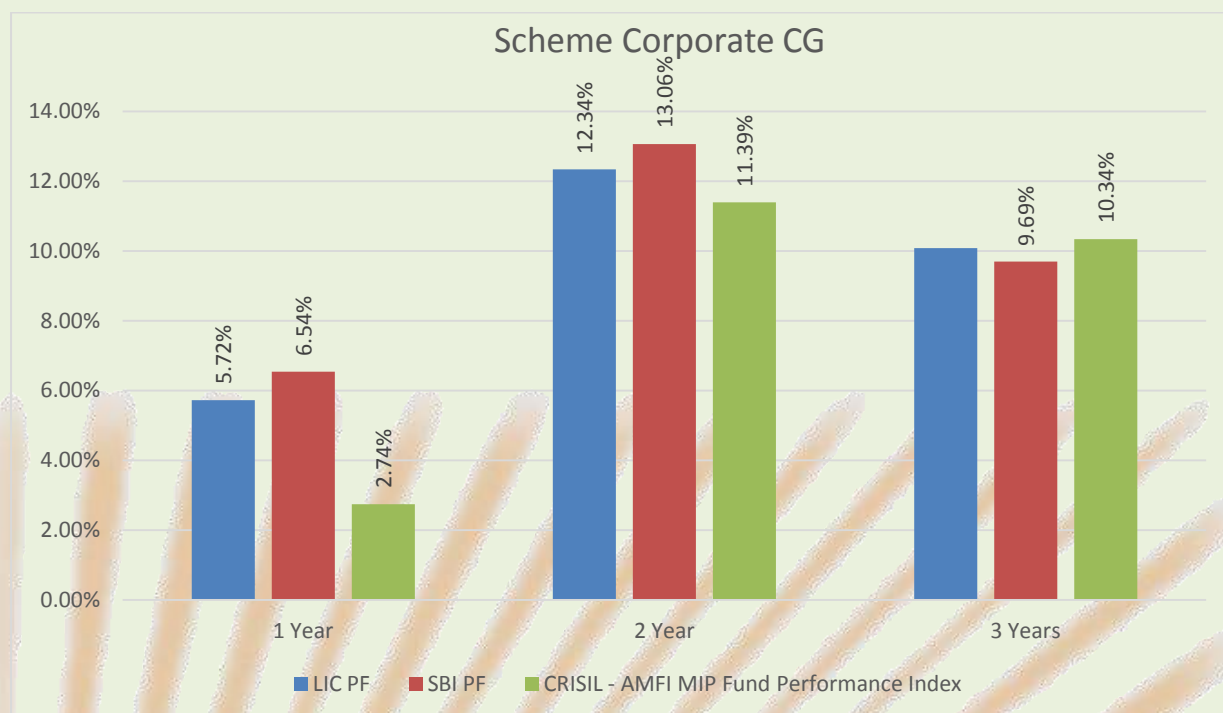
Performance: Scheme NPS Lite Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns.

In scheme NPS Lite, all the PFMs outperformed the CRISIL - AMFI MIP Fund Performance Index for one year and two year periods, while underperformed for three year period.

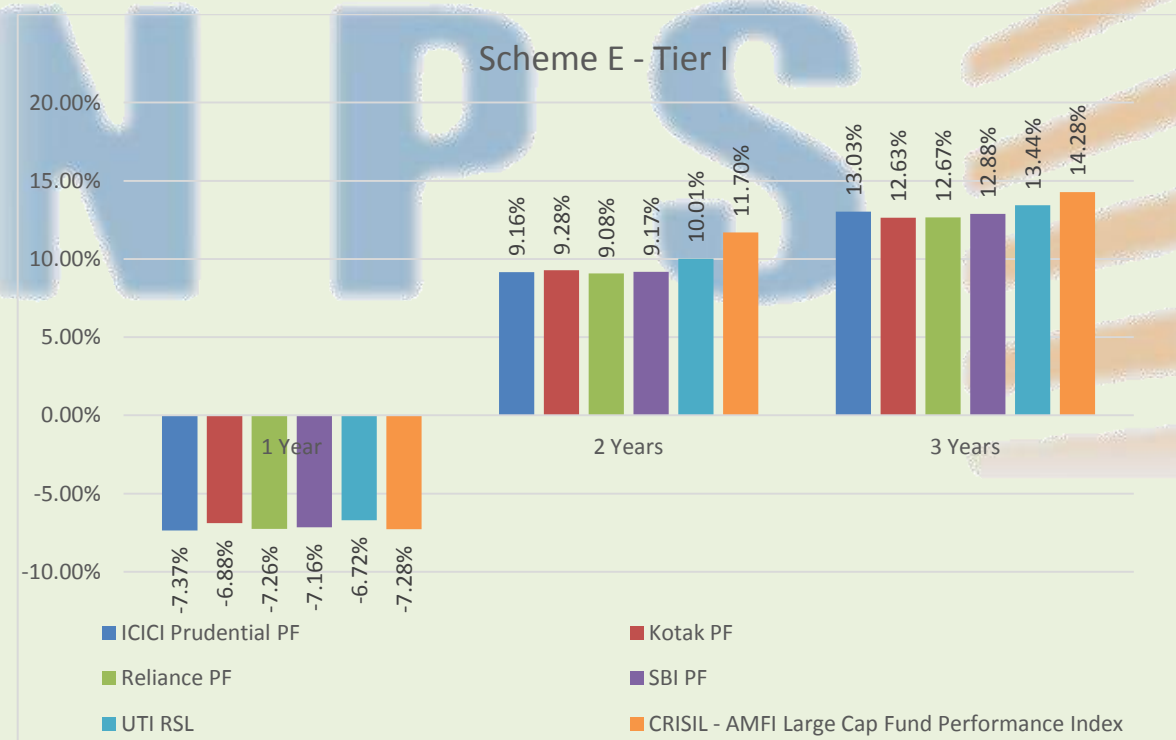
Performance: Scheme Corporate CG Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns.

In scheme corporate CG, all the PFMs outperformed the CRISIL - AMFI MIP Fund Performance Index for one year and two year periods, while underperformed for three year period.

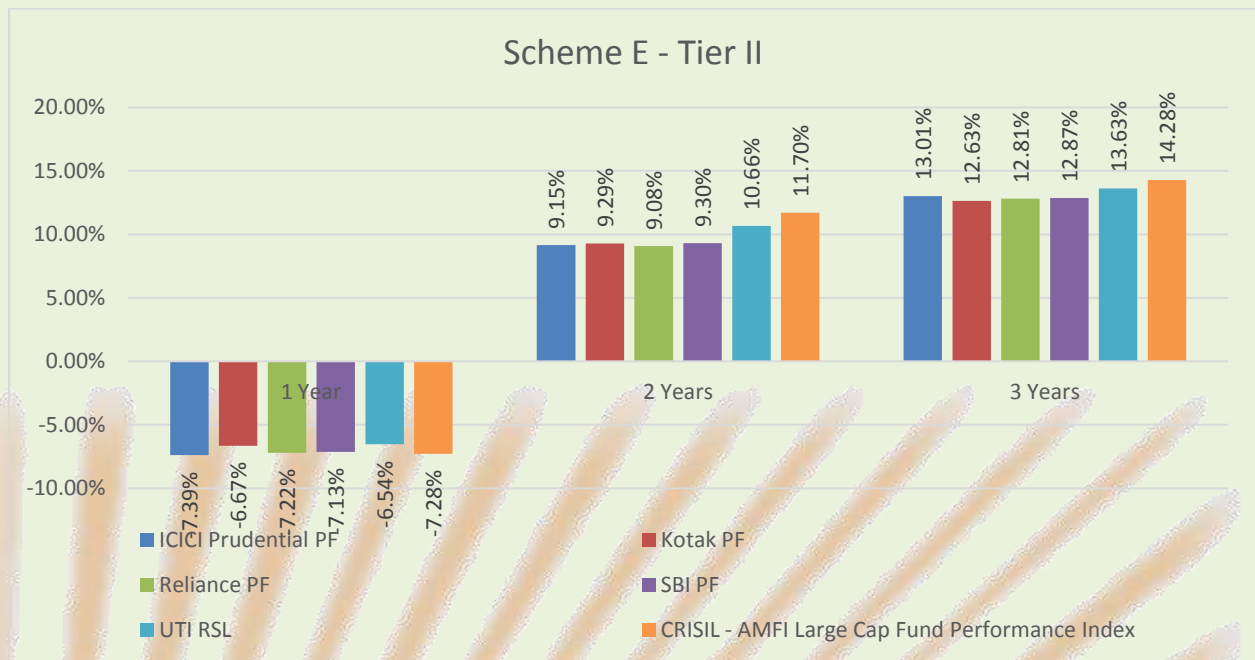
Performance: Scheme E – Tier I Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns

In scheme E – Tier I, all the PFMs underperformed CRISIL - AMFI Large Cap Fund Performance Index in two year and three year periods.

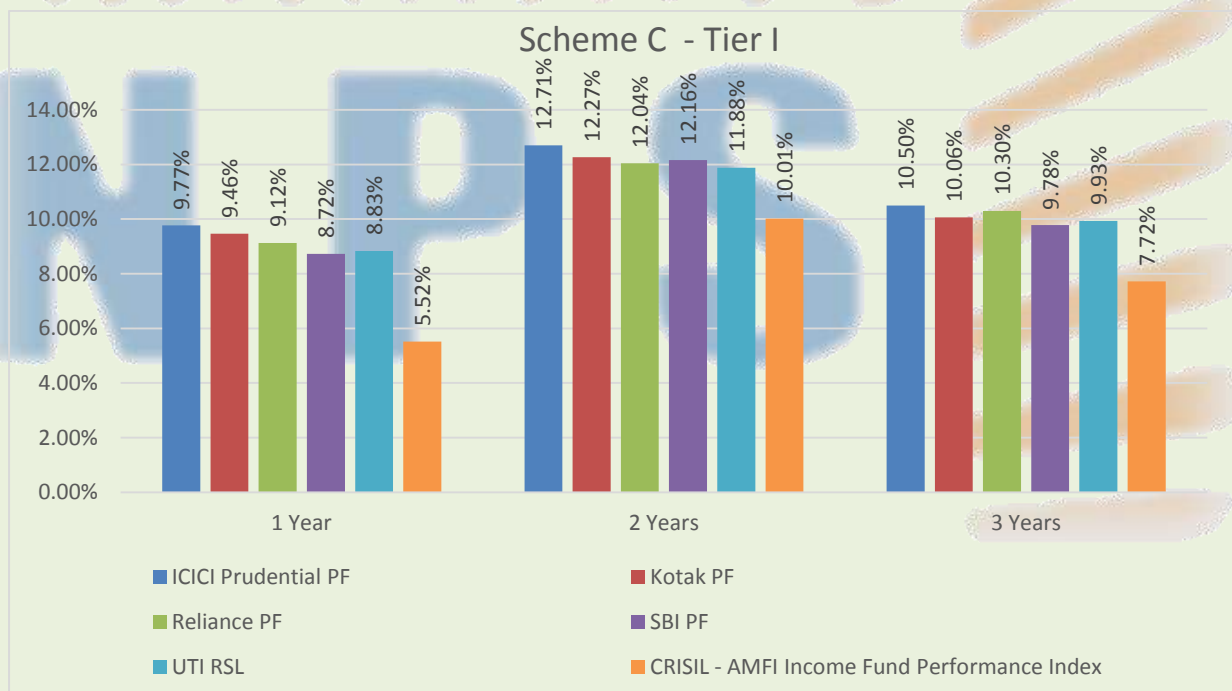
Performance: Scheme E – Tier II Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns

In scheme E – Tier II, all the PFMs underperformed CRISIL - AMFI Large Cap Fund Performance Index in two year and three year periods.

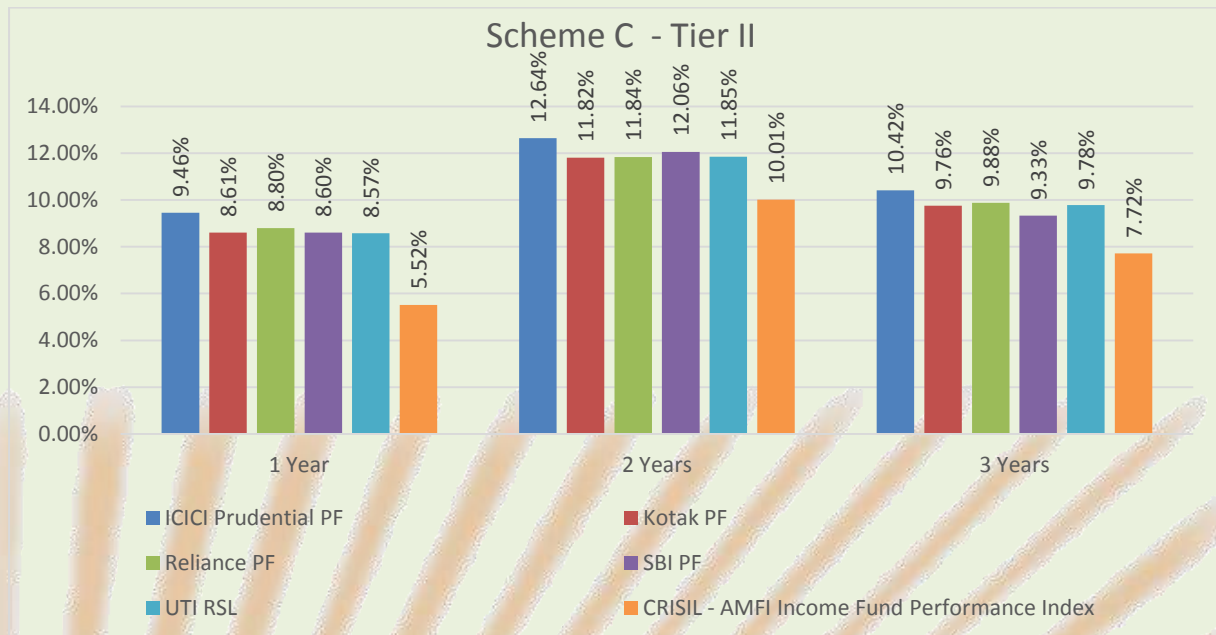
Performance: Scheme C – Tier I Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns

In scheme C – Tier I, all the PFMs outperformed the CRISIL - AMFI Income Fund Performance Index in the one year, two year and three year period.

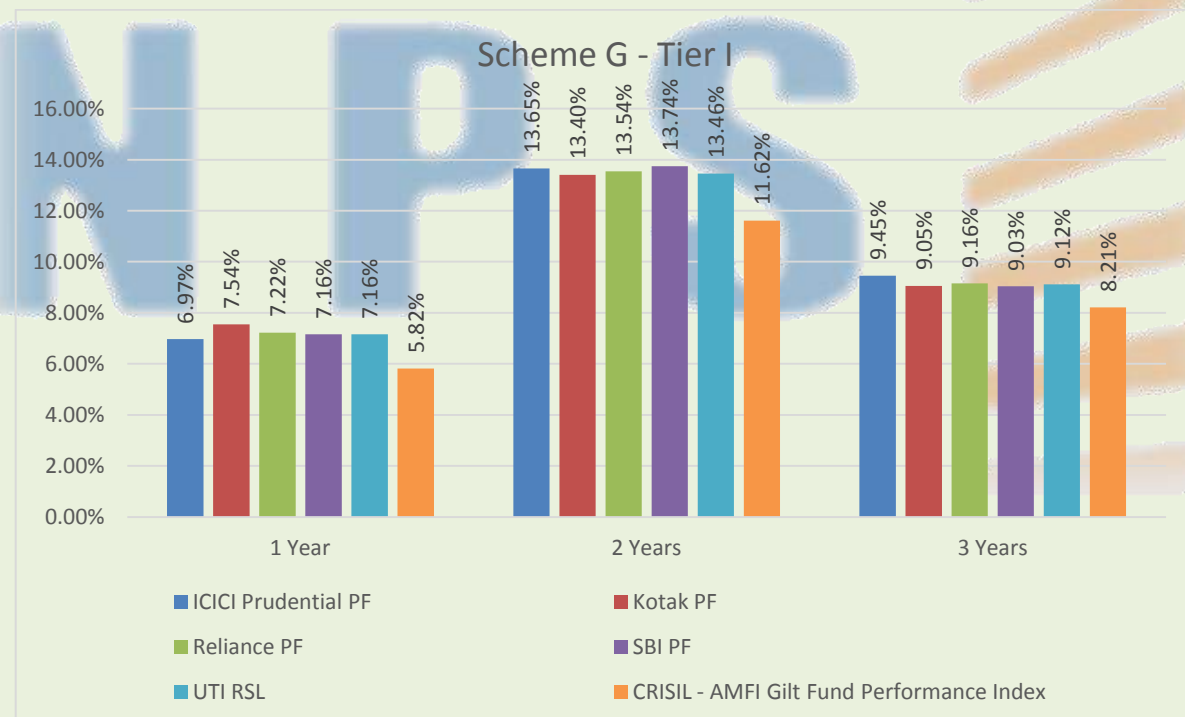
Performance: Scheme C – Tier II Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns

In scheme C – Tier II, all the PFMs outperformed the CRISIL - AMFI Income Fund Performance Index in the one year, two year and three year period.

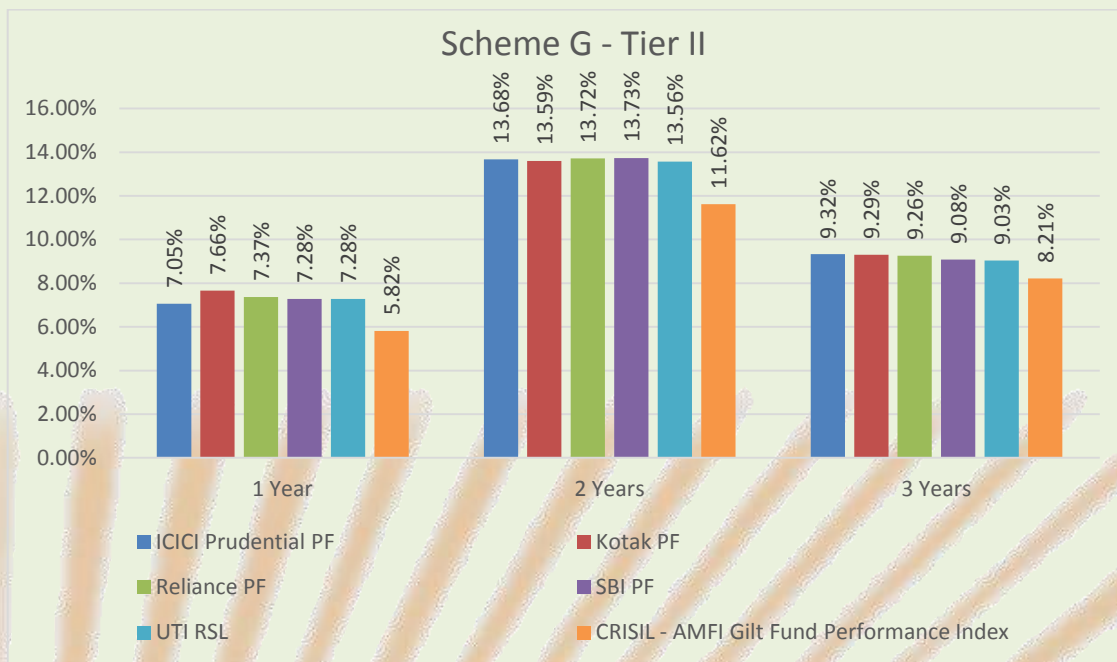
Performance: Scheme G – Tier I Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns

In scheme G – Tier I, all the PFMs outperformed the CRISIL - AMFI Gilt Fund Performance Index in the one year, two year and three year period.

Performance: Scheme G – Tier II Vs. mutual fund industry (as on March 31, 2016)



Returns for period greater than one year are compounded annualized returns

In scheme G – Tier II, all the PFMs outperformed the CRISIL - AMFI Gilt Fund Performance Index in the one year, two year and three year period.

Acknowledgements

The Board of Trustees will like to thank the Chairman PFRDA for providing constant guidance, encouragement and support to the NPS Trust in ensuring its smooth function and efficient discharge of its responsibilities. We would also like to place on record our appreciation for all the other staff of PFRDA, who have provided constant support and assistance to the NPS Trust. The Board of Trustees will like to make a special mention of the tireless and efficient work done by the team of the staff in NPS Trust and place on record our appreciation for the entire team of staff of the NPS Trust.



Shailesh Haribhakti

Chairman of the Board of Trustees
National Pension System Trust

Date: 28th June 2016

Mumbai

अनुबंधक / ANNEXURE

एन पी एस ट्रस्ट के लेखा परीक्षक की रिपोर्ट व अंकेक्षित खाते
31 मार्च 2016 को समाप्त होने वाले वित्तीय वर्ष के लिए

**Auditor's Report and Audited Accounts of NPS Trust
for the Financial year ended 31st March 2016**

INDEPENDENT AUDITORS' REPORT

THE TRUSTEES OF NATIONAL PENSION SYSTEM (NPS) TRUST

Report on the Financial Statements

We have audited the accompanying financial statements of M/s **National Pension System (NPS) Trust** which comprises the Balance Sheet as at 31st March, 2016 and the Income and Expenditure account and Receipt and Payment account for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the Generally Accepted Accounting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

In our opinion, and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Trust as at 31st March, 2016 and
- (ii) In the case of the Income and Expenditure Account, of the excess of income over expenditure for the year ended on that date.
- (iii) In the case of the Receipts and Payments Account, of the total receipts and payments for the year ended on that date.

For RMA & Associates
(Chartered Accountants)
FRN. 000978N

SD/-

Deepak Gupta
Partner
M. No.: 081535

Place: New Delhi
Date: 4/7/2016

NATIONAL PENSION SYSTEM (NPS) TRUST GENERAL ADMINISTRATION

BALANCE SHEET AS AT 31.03.2016

Particulars	Note	(Amount in Rs.)	
		As at March 31, 2016	As at March 31, 2015
<u>CORPUS / CAPITAL FUND AND LIABILITIES</u>			
Corpus / Capital Fund	2.1	24,618,318	1,119,695
Current Liabilities and Provisions	2.2	4,250,617	104,417
Total		28,868,934	1,224,112
<u>ASSETS</u>			
Fixed Assets	2.3	82,651	76,481
Current Assets, Loans and Advances	2.4	28,786,283	1,147,631
Total		28,868,934	1,224,112
Significant accounting policies and notes on accounts	1&2		
<i>Note: The notes referred to above are an integral part of the balance sheet.</i>			
As per our Report of even Date Attached			
For RMA & Associates		For and on Behalf of National Pension System(NPS) Trust	
<i>Chartered Accountants</i>			
Firm Registration Number: 000978N			
SD/- Deepak Gupta <i>Partner</i> Membership Number: 081535		SD/- Shailesh Haribhakti <i>Chairman</i>	
		SD/- Kamal Chaudhry <i>Chief Executive Officer</i>	
Place: New Delhi Date: 4/7/2016		Place: New Delhi Date: 28/6/2016	
		Place: New Delhi Date: 28/6/2016	

NATIONAL PENSION SYSTEM (NPS)TRUST GENERAL ADMINISTRATION			
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2016			
Particulars	Note	(Amount in Rs.)	
		As at March 31, 2016	As at March 31, 2015
<u>INCOME</u>			
Grants / Subsidies	2.5	1,400,000	5,500,000
Recovery of Fee/Charges from Subscribers	2.6	45,287,226	-
Interest Receipts	2.7	51,861	96,535
Other Receipts	2.8	100,000	-
Total (A)		46,839,087	5,596,535
<u>EXPENDITURE</u>			
Establishment Expenses	2.9	18,498,270	1,347,217
Other Administrative Expenses	2.10	4,826,608	4,403,362
Bank Charges	2.11	182	639
Depreciation	2.3	15,405	25,995
Total (B)		23,340,465	5,777,213
Balance being surplus (deficit) before exceptional and extra-ordinary items (A-B)		23,498,623	(180,678)
<u>EXCEPTIONAL AND EXTRA-ORDINARY ITEMS</u>			
Balance being surplus (deficit) carried to corpus / capital fund		23,498,623	(180,678)
Significant accounting policies and notes on accounts	1&2		
<i>Note: The notes referred to above are an integral part of the Income and Expenditure Account.</i>			
As per our Report of even Date Attached			
For RMA & Associates	For and on Behalf of National Pension System(NPS) Trust		
Chartered Accountants			
Firm Registration Number: 000978N			
SD/- Deepak Gupta Partner Membership Number: 081535	SD/- Shailesh Haribhakti Chairman	SD/- Kamal Chaudhry Chief Executive Officer	
Place: New Delhi Date: 4/7/2016	Place: New Delhi Date: 28/6/2016	Place: New Delhi Date: 28/6/2016	

NATIONAL PENSION SYSTEM (NPS)TRUST GENERAL ADMINISTRATION					
RECIEPTS AND PAYMENTS FOR THE YEAR ENDED 31-03-2016					
	(Amount in Rs.)			(Amount in Rs.)	
RECEIPTS	As at March 31, 2016	As at March 31, 2015	PAYMENTS	As at March 31, 2016	As at March 31, 2015
<u>I. Opening Balances</u>			<u>VI. Expenses</u>		
a) Cash in hand	3,865	10,053	a) Establishment Expenses	18,498,270	1,347,217
b) Bank Balance - Saving account	1,140,674	1,356,863	b) Administrative Expenses	1,173,213	4,471,056
<u>II. Grants Received</u>			<u>VII. Finance Charges</u>		
a) Grant Received from PFRDA	1,400,000	5,500,000	a) Bank charges	182	639
<u>III. Recovery of Fee/Chrges from Subscribers</u>			<u>VIII. Fixed Assets Purchased</u>		
-	17,544,703	-		21,575	-
<u>IV. Other Receipts</u>			<u>IX. Closing Balances</u>		
a) Tender Fee	100,000	-	a) Cash in hand	3,435	3,865
b) Miscellaneous Receipt	536		b) Bank Balances-Savings account	544,964	1,140,674
<u>V. Interest Received</u>					
a) On Saving Bank deposits	51,861	96,535			
Total	20,241,639	6,963,451	Total	20,241,639	6,963,451
Significant accounting policies and notes on accounts 1&2					
<p><i>Note: The notes referred to above are an integral part of the Receipts and Payments Account.</i></p> <p>As per our Report of even Date Attached</p> <div> <div> For RMA & Associates Chartered Accountants Firm Registration Number: 000978N SD/- Deepak Gupta Partner Membership Number: 081535 Place: New Delhi Date: 4/7/2016 </div> <div> For and on Behalf of National Pension System(NPS) Trust SD/- Shailesh Haribhakti Chairman Place: New Delhi Date: 28/6/2016 </div> <div> SD/- Kamal Chaudhry Chief Executive Officer Place: New Delhi Date: 28/6/2016 </div> </div>					

NATIONAL PENSION SYSTEM (NPS) TRUST GENERAL ADMINISTRATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Background:

The National Pension System Trust (NPS Trust) earlier New Pension System Trust was established by Pension Fund Regulatory and Development Authority (PFRDA) on 27th February, 2008 with the execution of the Trust Deed. The NPS Trust has been set up and constituted for taking care of the assets and funds under the National Pension System (NPS) in the interest of the beneficiaries (subscribers). The NPS fund are managed by the Board of Trustees to realize and fulfill the objectives of the NPS Trust in the exclusive interest of the Subscribers.

Upon Notification of the PFRDA (NPST) Regulation 2015 by PFRDA Dt. 12.03.2015 the Objectives, Power and Functions of the Board of Trustees are governed under regulation 9 and 11 respectively of the aforesaid regulation.

1. Significant Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements are prepared under the historical cost convention, and compliance in accordance with Generally Accepted Accounting Principles (GAAP) in India on accrual basis. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported amount of assets and liabilities and disclosure relating to contingent assets and liabilities as of the date of the financial statements. Accounting estimate could change from period to period and actual results could differ from those estimates.

1.3 Tangible fixed assets and depreciation

Fixed Assets are stated at historical cost after reducing accumulated depreciation and impairment if any up to the date of balance sheet. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation. Depreciation on all assets has been charged on pro-rata basis as per written down value method at the rates and in the manner prescribed under Income Tax Act, 1961.

1.4 Government grants / subsidies

The expenses of NPS Trust is borne by government Grants received from PFRDA during the year. Grant/Subsidies are accounted for on realization basis.

1.5 Recovery of Fee/Charges from Subscribers

Fee/Charges are being recovered from the subscribers of schemes for meeting the expenses of NPS Trust @ 0.01% p.a w.e.f 01.11.2015 as instructed by PFRDA through Letter No.PFRDA/5/NPST/1 dated 16.10.2015.

1.6 Reimbursement to PFRDA

Presently the salary and other allowances of Chief Executive Officer and 7 officers of PFRDA working in NPS Trust are being paid by PFRDA. PFRDA vide its letter no. PFRDA/13/F&A/17/1 dated 18th March 2016, advised NPS Trust to reimburse an amount of Rs. 1,56,32,551/- towards payment of salary, allowances and other reimbursements to the officials of PFRDA engaged with NPS Trust for the period April 2015 to February 2016. Accordingly an amount of Rs. 1,45,00,000/- was reimbursed to PFRDA in the FY 2015-16 and the remaining amount of Rs. 11,12,551/- was shown as expenses payable in the books of NPS Trust. Similarly Rs. 28,85,719/- the amount reimbursable for the month of March 2016 was shown under provisions in the Balance Sheet.

1.7 Other revenue recognition

Interest on saving accounts and other incomes are accounted for on accrual basis.

As per our Report of even Date Attached

For RMA & Associates
Chartered Accountants
Firm Registration Number: 000978N

For and on Behalf of National Pension System(NPS) Trust

SD/-

SD/-

SD/-

Deepak Gupta
Partner
Membership Number: 081535

Shailesh Haribhakti
Chairman

Kamal Chaudhry
Chief Executive Officer

Place: New Delhi
Date: 4/7/2016

Place: Mumbai
Date: 28/6/2016

Place: Mumbai
Date: 28/6/2016

1.8 Employee benefits

Since the number of employees is less than the statutory limit required under the provision of Provident Fund and Miscellaneous Provision Act the trust has not yet registered itself under the Authorities and hence there is no provident fund contribution.

1.9 Corpus/Capital Fund:

PFRDA established NPS Trust on 27th February 2008 and contributed to the Trustees a sum of Rs. 1,00,000/- (Rupees one lakh only) being the initial contribution towards the corpus of the Trust. In schedule 2.1 of the Balance sheet the total corpus/capital fund for the FY 2015 -16 are bifurcated and shown as initial corpus and accumulated corpus (Rs.1,00,000 + Rs. 10,19,695). The corresponding figures for the FY 2014 -15 is Rs. 13, 00,373/- (Initial Corpus – Rs. 1, 00,000 and accumulated corpus – Rs. 12, 00, 373).

1.10 Foreign Currency Transactions

The trust accounts for effects of differences in foreign exchange rates in accordance with Accounting Standard-11, issued by the Institute of Chartered Accountants of India.

Initial recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate.

Exchange Difference

Exchange differences arising on the settlement of monetary items or on reporting trust's monetary items at rates different for those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which arise.

1.11 Provisions and Contingencies

Provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation; in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

1.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank accounts.

1.13 Change in accounting policy

There is no change in the accounting policy as those adopted in previous year.

1.14 Previous year figures are rearranged/regrouped wherever necessary

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our Report of even Date Attached

For RMA & Associates

Chartered Accountants

Firm Registration Number: 000978N

SD /-

Deepak Gupta

Partner

Membership Number: 081535

For and on Behalf of National Pension System (NPS) Trust

SD /-

Shailesh Haribhakti

Chairman

SD /-

Kamal Chaudhry

Chief Executive Officer

Place: New Delhi

Date: 4/7/2016

Place: Mumbai

Date: 28/6/2016

Place: Mumbai

Date: 28/6/2016

NATIONAL PENSION SYSTEM (NPS) TRUST GENERAL ADMINISTRATION
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2. Notes to Accounts

2.1 : Corpus / Capital fund

(Amount in Rs.)				
Particulars		As at March 31, 2016		As at March 31, 2015
Initial Corpus	100,000		1,00,000	
Accumulated Corpus	1,019,695	1,119,695	12,00,373	1,300,373
Add : Contributions towards Corpus / Capital fund		-		-
Add / (Deduct) : Balance of Surplus/ (Deficit) transferred		23,498,623		(180,678)
Balance as at the end of the year		24,618,318		1,119,695

2.2 : Current liabilities and provisions

(Amount in Rs.)		
Particulars	As at March 31, 2016	As at March 31, 2015
A. Current liabilities		
Statutory liabilities :		
- TDS payable	4,450	5,454
Other liabilities :		
- Expenses payable	1,360,448	98,963
Total (A)	1,364,898	104,417
B. Provisions		
Provisions towards Payment to PFRDA for Providing Resources (For the Month of March.2016)	2,885,719	-
Total (B)	2,885,719	-
Total (A + B)	4,250,617	104,417

As per our Report of even Date Attached

For RMA & Associates

**For and on Behalf of National
Pension System(NPS) Trust**

Chartered Accountants

Firm Registration Number: 000978N

SD/-

Deepak Gupta

Partner

Membership Number: 081535

Place: New Delhi

Date:4/7/2016

SD/-

Shailesh Haribhakti

Chairman

Place: New Delhi

Date: 28/6/2016

SD/-

Kamal Chaudhry

Chief Executive Officer

Place: New Delhi

Date: 28/6/2016

NATIONAL PENSION SYSTEM (NPS)TRUST GENERAL ADMINISTRATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.2b : TDS Payable

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
TDS contractor payable	3,725	3,712
TDS Professional Payable	725	1,742
Total	4,450	5,454

2.2c : Expenses payable

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Account maintenance charges	7,577	16,855
Audit fee payable	20,038	15,674
Travelling expenses - domestic	-	10,496
Books & periodicals - payable	371	377
Manpower charges payable	208,578	49,472
Postage & Courier Payable	9,498	2,994
Internet Charges	959	890
Resources Provided by PFRDA Payable	1,112,551	-
Telephone & mobile expenses payable	876	2,205
Total	1,360,448	98,963

As per our Report of even Date Attached

For RMA & Associates

Chartered Accountants

Firm Registration Number: 000978N

SD/-

Deepak Gupta

Partner

Membership Number: 081535

For and on Behalf of National Pension System(NPS) Trust

SD/-

Shailesh Haribhakti

Chairman

SD/-

Kamal Chaudhry

Chief Executive Officer

Place: New Delhi

Date: 4/7/2016

Place: New Delhi

Date: 28/6/2016

Place: New Delhi

Date: 28/6/2016

NATIONAL PENSION SYSTEM (NPS)TRUST GENERAL ADMINISTRATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.3 : Fixed Assets

(Amount in Rs.)

Description	Rate of Dep	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost/Valuation As at beginning of the year	Additions during the year	Deductions during the year	Cost/Valuation As at the year-end	As at beginning of the Year	For the Year	On Deductions during the year	Total upto year end	As at the Current Year	As at the previous year
Fixed Assets:	-										
1. Furniture's and fixtures	10%	80,935	21,575	-	102,510	15,084	8,743	-	23,827	78,683	65,851
2. Computer / Peripherals	60%	672,949	-	-	672,949	662,319	6,662	-	668,981	3,968	10,630
Total of current year		753,884	21,575	-	775,459	677,403	15,405	-	692,808	82,651	76,481
Previous year		798,581	51,725	96,422	753,884	678,676	25,995	-	704,672	76,481	76,481

As per our Report of even Date Attached

For RMA & Associates

Chartered Accountants

Firm Registration Number: 000978N

SD/-
Deepak Gupta

Partner

Membership
Number: 081535

Place: New Delhi
Date: 4/7/2016

For and on Behalf of National Pension System(NPS) Trust

SD/-
Shailesh Haribhakti
Chairman

Place: New Delhi
Date: 28/6/2016

SD/-
Kamal Chaudhry
Chief Executive Officer

Place: New Delhi
Date: 28/6/2016

NATIONAL PENSION SYSTEM (NPS) TRUST GENERAL ADMINISTRATION
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.4 : Current assets, loan and advances

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
A. Current assets :		
Cash balances in hand (including cheques/drafts and imprest)	3,435	3,865
Bank Balances :		
- With Scheduled Banks : saving account	544,964	1,140,674
Total (A)	548,399	1,144,539
B. Loans, advances and other assets		
Advances and other amounts recoverable in cash or in kind or for value to be received:		536
Fee/Charges recoverable from Subscribers	27,742,523	-
Debit Balance in Sundry Creditors (TDS)	-	2,556
Advance to NICSI for Website Redesigning	488017.58	-
Total (B)	28,230,541	3,092
C. Prepaid Expenses		
Books & Periodicals Exp.	7,343	-
Total (C)	7,343	-
Total (A + B + C)	28,786,283	1,147,631

In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business, equal at least to the amount shown in the balance sheet.

2.5 : Grants / Subsidies

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
(Irrevocable Grants & Subsidies Received)		
Grant Received From PFRDA	1,400,000	5,500,000
Total	1,400,000	5,500,000

As per our Report of even Date Attached

For RMA & Associates

Chartered Accountants

Firm Registration Number: 000978N

SD/-

Deepak Gupta

Partner

Membership Number: 081535

Place: New Delhi

Date: 4/7/2016

For and on Behalf of National Pension System(NPS) Trust

SD/-

Shailesh Haribhakti

Chairman

Place: New Delhi

Date: 28/6/2016

SD/-

Kamal Chaudhry

Chief Executive Officer

Place: New Delhi

Date: 28/6/2016

NATIONAL PENSION SYSTEM (NPS) TRUST GENERAL ADMINISTRATION
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.6 : Recovery Of Fee/Charges From Subscribers

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Recovery of Fee/Charges from Subscribers	17,544,703	-
Fee/Charges recoverable from Subscribers	27,742,523	-
Total	45,287,226	-

2.7 : Interest Receipts

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest on Saving Bank Account:		
- With I.O.B	51,861	96,535
Total	51,861	96,535

2.8 : Other Receipts

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Tender Fee Received	100,000	-
Total	100,000	-

2.9 : Establishment expenses

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Salaries and wages	-	1,166,181
Resources Provided by PFRDA	18,498,270	
Medical reimbursement	-	40,958
Local conveyance allowance	-	-
LFC Expenses		
Other allowances and re-imbursements		140,078
Total	18,498,270	1,347,217

As per our Report of even Date Attached

For RMA & Associates

Chartered Accountants

Firm Registration Number: 000978N

SD/-

Deepak Gupta

Partner

Membership Number: 081535

Place: New Delhi

Date: 4/7/2016

For and on Behalf of National Pension System(NPS) Trust

SD/-

Shailesh Haribhakti

Chairman

Place: New Delhi

Date: 28/6/2016

SD/-

Kamal Chaudhry

Chief Executive Officer

Place: New Delhi

Date: 28/6/2016

NATIONAL PENSION SYSTEM (NPS) TRUST GENERAL ADMINISTRATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.10 : Other administrative expenses

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Sitting fee	175,500	105,000
Telephone & mobile expenses	5,979	26,306
Postage, telegram and courier charges	69,102	22,676
Printing and stationary	66,130	72,867
Travelling and conveyance expenses	539,073	801,008
Office expenses	6,219	1,158
Staff welfare expenses	4,941	21,647
Meeting & conference expenses	227,301	161,882
Books & periodicals	8,031	11,645
Vehicle hire charges/running & maintenance	103,751	277,933
Professional charges	57,250	56,180
Audit fees	20,038	17,416
Manpower hiring charges	1,323,087	564,675
Consultancy charges	2,127,609	2,120,656
Computer repair & maintenance	65,299	67,979
Legal fees	720	2,400
Internet charges	10,620	15,548
Repair and maintenance	10,238	7,166
Web site registration fees	-	2,300
Website Hosting Charges	5,721	
Loss on sale of Office Equipment	-	46,772
Interest on TDS	-	148
Total	4,826,608	4,403,362

As per our Report of even Date Attached

For RMA & Associates

Chartered Accountants

Firm Registration Number: 000978N

SD/-

Deepak Gupta

Partner

Membership Number: 081535

For and on Behalf of National Pension System(NPS) Trust

SD/-

Shailesh Haribhakti

Chairman

SD/-

Kamal Chaudhry

Chief Executive Officer

Place: New Delhi

Date: 4/7/2016

Place: New Delhi

Date: 28/6/2016

Place: New Delhi

Date: 28/6/2016

NATIONAL PENSION SYSTEM (NPS)TRUST GENERAL ADMINISTRATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.11 : Bank charges

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Bank charges	182	639
Total	182	639

2.12 : Taxation

a). As per the provisions of Section 10(44) of The Income Tax Act,1961, The Income of the NPS Trust is exempted from Tax therefore provision for Tax has not been done.

b). As per the provisions of Section 197A(1E), no deduction of tax shall be made from any payment to any person for, or on the behalf of, the New Pension System (NPS) Trust referred to in clause 44 of Section 10.

2.13 : Government Grant

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Balance of Government Grant	1,119,695	1,300,373
Add : Grant Received during the year	1,400,000	5,500,000
Less : Utilisation of Grant during the year (Net off)	2,519,695	5,680,678
Closing Balance of Government Grant	-	1,119,695

As per our Report of even Date Attached

For RMA & Associates

Chartered Accountants

Firm Registration Number: 000978N

SD/-

Deepak Gupta

Partner

Membership Number: 081535

For and on Behalf of National Pension System(NPS) Trust

SD/-

Shailesh Haribhakti

Chairman

SD/-

Kamal Chaudhry

Chief Executive Officer

Place: New Delhi

Date: 4/7/2016

Place: Mumbai

Date: 28/6/2016

Place: Mumbai

Date: 28/6/2016

2016

Consolidated NPS Scheme Financials



National Pension System Trust

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Report of Chartered Accountants

To,
The Board of Trustees,
National Pension System Trust

1 We have been requested by the National Pension System Trust (NPS Trust) to verify the consolidation of, Balance Sheet as at 31st March, 2016 (Balance Sheet) and the Revenue Account for the year then ended (Revenue Account) and notes to Financial Statements attached thereto, in respect of following schemes of the NPS Trust being managed by Pension Fund Managers (PFM) listed in Para 2 below:

- a Scheme - E (Tier-I)
- b Scheme - C (Tier-I)
- c Scheme - G (Tier-I)
- d Scheme - E (Tier-II)
- e Scheme - C (Tier-II)
- f Scheme - G (Tier-II)
- g Scheme - CG (Central Government)
- h Scheme - SG (State Government)
- i Scheme -NPS Lite Government Pattern
- j Scheme - Corporate CG
- k Scheme - APY (Atal Pension Yojana)

2 For this purpose, the NPS Trust has furnished

- i. scheme-wise Audited Balance Sheet and scheme-wise Audited Revenue Account along with notes thereto in respect of various schemes managed by the following PFM, which were audited by separate independent auditors appointed by the NPS Trust for auditing each scheme managed by the PFM:
 - a. HDFC Pension Management Company Limited- 6 Schemes
 - b. ICICI Prudential Pension Fund Management Company Limited- 6 Schemes
 - c. Kotak Mahindra Pension Fund Limited- 7 Schemes
 - d. LIC Pension Fund Limited- 11 Schemes
 - e. Reliance Capital Pension Limited-6 Schemes
 - f. SBI Pension Funds Private Limited-11 Schemes
 - g. UTI Retirement Solutions Limited-10 Schemes
- ii. Scheme-wise consolidated Balance Sheet and Revenue Account
- iii. Consolidated Balance Sheet and Revenue Account along with the extracts of Notes to Financial Statements

- 3 The consolidation of Balance Sheet and the Revenue Account is the responsibility of the management of NPS Trust. Our responsibility is limited to report on correctness of the said consolidation.
- 4 The schemes managed by Kotak Mahindra Pension Fund Limited have been audited by us and schemes managed by other PFM (having aggregate asset as on 31st March, 2016 of ₹ 118664.03 Crores, aggregate income for the year of ₹ 7906.21 Cores and aggregate surplus for the year of ₹ 6277.59 Crores) have been audited by six different auditors appointed by the NPS Trust. We have placed reliance on the scheme's Financial Statements audited by the other auditors.
- 5 The NPS Trust has adopted line by line consolidation of scheme's financial statements. During this process, necessary groupings have been made in order to maintain uniformity in the presentation of the Balance Sheet and the Revenue account. On account of these regroupings, wherever made, the Audited Balance Sheet and Revenue account of the schemes may not be exactly comparable with the individual Audited Balance Sheet and the Revenue account. The Notes to the Consolidated Balance Sheet and Revenue Account contain additional information in Para C4, C5, D2, D3, D5, D6 and D7 of Notes to accounts, which is based on the data available with the NPS Trust.
- 6 We have verified the consolidation and have performed our procedure in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India.
- 7 The procedure carried out does not constitute either an audit or a review made in accordance with the Generally Accepted Auditing Standards in India and accordingly we do not express any opinion on the Consolidated Balance Sheet and Revenue Account of all schemes of the NPS Trust.
- 8 Based on the procedure carried out as above, we confirm that the Consolidated Balance Sheet and Revenue Account along with the notes attached thereto has been correctly compiled in all material aspects.
- 9 This report is solely for the information of the Board of Trustees and PFRDA and is not to be used for any other purpose or to be distributed to any other parties.

For M. M. Nissim & Co.
Chartered Accountants
Firm Reg. No. 107122W

SD/-
Sanjay Khemani
Partner
M. No. 044577
Mumbai, dated 8th July, 2016

NATIONAL PENSION SYSTEM TRUST

CONSOLIDATED BALANCE SHEET OF ALL PENSION SCHEMES AS AT MARCH 31, 2016

(In ₹)

Liabilities	Schedule	March 31, 2016	March 31, 2015
Unit Capital	1	619,437,553,706	441,754,053,298
Reserves and Surplus	2	568,929,664,463	366,797,369,398
Current Liabilities and Provisions	3	533,090,960	784,279,437
Total		1,188,900,309,129	809,335,702,133
Assets			
Investments	4	1,152,247,319,426	782,908,197,864
Deposits	5	4,873,650,685	5,817,195,194
Other Current Assets	6	31,779,339,018	20,610,309,075
Total		1,188,900,309,129	809,335,702,133

For M. M. Nissim & Co.
Chartered Accountants
Firm Reg. No. 107122W

For and on Behalf of National Pension System Trust

SD/-
Sanjay Khemani
Partner
M. No. 044577

SD/-
Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

SD/-
Kamal Chaudhry
(Chief Executive Officer)

Place: Mumbai
Date: 8 /7/2016

Place: Mumbai
Date: 28 /6/2016

Place: Mumbai
Date: 28 /6/2016

NATIONAL PENSION SYSTEM TRUST			
CONSOLIDATED REVENUE ACCOUNT OF ALL PENSION SCHEMES FOR THE YEAR ENDED MARCH 31, 2016			
	(In ₹)		
	March 31, 2016		March 31, 2015
Income			
Dividend	1,606,472,733		872,040,725
Interest	72,192,820,800		48,771,863,728
Profit on sale/ redemption of investments	2,804,568,411		1,773,852,443
Profit on inter-scheme transfer/ sale of investments	6,739,470		8,973,687
Unrealised gain on appreciation in investments	2,533,153,625		60,566,182,660
Other Income	5,651,337		76,266
Total Income (A)	79,149,406,376		111,992,989,509
Expenses and losses			
Unrealised losses in value of investments	15,014,455,164		954,438,448
Loss on sale/ redemption of investments	994,848,523		132,964,970
Loss on inter-scheme transfer/ sale of investments	4,265,755		1,238,351
Management fees (including service tax)	114,688,010		101,913,852
NPS Trust Fees	45,285,930		-
Custodian fees	82,656,439		53,815,848
CRA fees	328,295,754	227,634,710	
Less: Amount recoverable by sale of units on account of CRA Charges	(328,295,754)	(227,634,710)	
	-		-
Depository and settlement charges	902,604		878,409
Other Expenses	60,981,497		384,612,658
Total Expenditure (B)	16,318,083,922		1,629,862,536
Surplus/(Deficit) for the year (A-B)	62,831,322,454		110,363,126,973
Less: Amount transferred to Unrealised appreciation account	9,329,909,362		33,646,430,824
Less: Amount transferred to General Reserve	53,501,413,092		76,716,696,149
Amount carried forward to Balance Sheet	-		-

For M. M. Nissim & Co.
Chartered Accountants
Firm Reg. No. 107122W

For and on Behalf of National Pension System Trust

SD/-

Sanjay Khemani
Partner
M. No. 044577
Place: Mumbai
Date: 8 /7/2016

SD/-

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Place: Mumbai
Date: 28 /6/2016

SD/-

Kamal Chaudhry
(Chief Executive Officer)

Place: Mumbai
Date: 28 /6/2016

NATIONAL PENSION SYSTEM TRUST

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET OF ALL PENSION SCHEMES AS
AT MARCH 31, 2016

(In ₹)

	March 31, 2016	March 31, 2015
Schedule 1 - Unit Capital		
Outstanding at the beginning of the year	441,754,053,298	309,947,885,618
Add: Units issued during the year	180,275,145,644	134,869,073,687
Less: Units redeemed during the year	(2,591,645,236)	(3,062,906,007)
Outstanding at the end of the year	619,437,553,706	441,754,053,298
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	44,175,405,330	30,994,788,562
Add: Units issued during the year	18,027,514,565	13,486,907,369
Less: Units redeemed during the year	(259,164,524)	(306,290,601)
Outstanding Units at the end of the year	61,943,755,371	44,175,405,330
Schedule 2 - Reserves and Surplus		
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	194,108,863,012	109,076,279,493
Add: Premium on Units issued	194,147,796,889	86,824,980,867
Less: Premium on Units redeemed	(54,846,824,278)	(1,792,397,359)
Add: Transfer from General Reserve	-	11
Closing Balance	333,409,835,623	194,108,863,012
General Reserve		
Opening Balance	140,243,840,724	63,527,144,586
Add: Transfer from Revenue Account	53,501,413,092	76,716,696,149
Less: Transfer to Unit Premium Reserve	-	(11)
Closing Balance	193,745,253,816	140,243,840,724
Unrealised Appreciation Account		
Opening Balance	32,444,665,662	(1,201,765,162)
Add/(Less): Transfer from/(to) Revenue Account	9,329,909,362	33,646,430,824
Closing Balance	41,774,575,024	32,444,665,662
Total	568,929,664,463	366,797,369,398

NATIONAL PENSION SYSTEM TRUST

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET OF ALL PENSION SCHEMES AS
AT MARCH 31, 2016**

(In ₹)

	March 31, 2016	March 31, 2015
Schedule 3 - Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	126,031,386	34,019,173
Book Overdraft	-	3,490,470
Redemption Payable	152,110,353	104,536,913
TDS Payable	697,799	2,893,613
Contract for Purchase of Investments	253,726,797	638,841,035
Amount Payable to Other Schemes	-	116,165
Provision for Interest overdue	271,947	-
Interest received in Advance	252,678	382,068
Total	533,090,960	784,279,437

Schedule 4 - Investments		
Investments (Long Term and Short Term)		
Equity Shares	126,389,682,387	82,182,132,121
Debentures and Bonds Listed/ Awaiting Listing	416,268,540,773	270,375,389,378
Central and State Government Securities (including treasury bills)	601,851,667,003	427,138,954,753
Commercial Paper	1,243,778	690,936
Others - Mutual Fund Units	7,736,185,485	3,211,030,676
Total	1,152,247,319,426	782,908,197,864

Schedule 5 - Deposits		
Deposits with Scheduled Banks	4,873,650,685	5,817,195,194
Total	4,873,650,685	5,817,195,194

Schedule 6 - Other Current Assets		
Balances with bank in current account	527,094,911	47,313,379
Contracts for sale of investments	247,981,331	344,528,307
Outstanding and accrued income	27,921,203,900	18,878,418,376
Brokerage receivable from PFM	230,477	25,945
Application money pending allotment	2,997,723,953	1,178,013,000
Sundry Debtors	85,104,446	162,010,068
Total	31,779,339,018	20,610,309,075

A. Introduction - Audit of NPS Scheme Accounts

The annual financial accounts of NPS Schemes managed by the Pension Fund were audited in compliance of the PFRDA (Pension Fund) Regulations 2015 and *PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guideline - 2012*. In terms of these guidelines, the scheme auditors were appointed by NPS Trust and each Pension Fund have submitted the individual NPS Scheme financial accounts for the Financial Year 2015-16 to NPS Trust which were duly audited in the prescribed formats and approved by the respective Board of Directors of Pension Funds. The Board of Trustee of NPS Trust has adopted these annual scheme financials in its 41st meeting held on 28th June 2016.

The Pension Funds engaged in managing the schemes under the National Pension System for the financial year 2015-16 as appointed by the Authority were as under:-

1. HDFC Pension Management Company Limited
2. ICICI Prudential Pension Fund Management Company Limited
3. Kotak Mahindra Pension Fund Limited
4. LIC Pension Fund Limited
5. Reliance Capital Pension Limited
6. SBI Pension Funds Private Limited
7. UTI Retirement Solutions Limited

The schemes that were managed by the Pension Funds under NPS/APY are:-

1. Scheme - E (Tier-I)
2. Scheme - C (Tier-I)
3. Scheme - G (Tier-I)
4. Scheme - E (Tier-II)
5. Scheme - C (Tier-II)
6. Scheme - G (Tier-II)
7. Scheme - CG (Central Government)
8. Scheme - SG (State Government)
9. Scheme -NPS Lite Government Pattern
10. Scheme - Corporate CG
11. Scheme – APY (Atal Pension Yojana)

The Schemes CG & SG, applicable for government employees, are exclusively managed by LIC Pension Fund Limited, SBI Pension Funds Private Limited and UTI Retirement Solutions Limited as mandated by the Authority.

The Schemes APY, a Government of India sponsored defined benefit scheme, is exclusively managed by LIC Pension Fund Limited, SBI Pension Funds Private Limited and UTI Retirement Solutions Limited as mandated by the Authority.

B. Consolidation of Scheme Accounts and its Methodology

At the behest of the Board of Trustee of NPS Trust, the audited individual NPS Scheme financials of each Pension Fund have been consolidated into a single Balance Sheet and Revenue Account representing the summarized position of NPS Scheme Financial Accounts for the Financial Year 2015-16. As the applicable Authority's guidelines does not provide for consolidating the scheme accounts of NPS, the following methodology was adopted to consolidate the scheme accounts of NPS Trust for the Financial Year 2015-16.

1. The Revenue Account and Balance Sheet as on 31st March 2016 was consolidated scheme-wise across different Pension Fund resulting into 11 (eleven) Revenue Account and Balance Sheet depicting each Scheme.
2. The above 11 (eleven) NPS Scheme Revenue Account and Balance Sheet were further consolidated into a single Revenue Account and Balance Sheet.
3. Balances outstanding in the collection account with Trustee Bank as on 31st March 2016 were segregated scheme wise on the basis of 'Fund Receipt Confirmation' uploaded by Trustee Bank after 31st March 2016. The details of Balances have been disclosed in Para D5. These Balances are not forming part of the Consolidated Balance Sheet.
4. Balance outstanding with Point of Presence (PoP) and Aggregators were compiled and the same have not been included in the Consolidated Balance Sheet since the same is not forming part of the Audited Financial Statements of the Schemes of NPS/APY managed by the PFs. The details of balances with Point of Presence (PoP) and Aggregators have been disclosed in [Para D6 and D7](#) respectively.
5. The charges levied by the Central Recordkeeping Agency to the non-government subscribers by way of extinguishing of units were accounted for in the scheme financial as redemption of units from schemes based on information provided by the Central Recordkeeping Agency and these redemptions have been expended from the subscribers' individual pension account. The details of Scheme-wise total number of

subscribers and the charges recovered by Central Recordkeeping Agency by way of extinguishment of units in respect of non-government subscribers have been disclosed in [Para D8](#).

6. The Consolidated scheme accounts will not bear any Net Asset Value as each Pension Fund declares Net Asset Value (NAV) for each individual NPS Scheme on a daily basis. A comparison of Scheme NAV declared by Pension Fund on 31st March 2016 vis a vis the Scheme NAV's derived from the audited Scheme Financials are disclosed in [Para D9](#).

C. Significant Accounting Policies

1. Basis of Preparation of Financial statements

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 notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. These financial statements have been prepared on an accrual basis.

2. Investment Valuation

The scheme portfolio investments are marked to market and are valued in compliance of the valuation policy prescribed under PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines – 2012. Moreover, as per the Authority's guidelines, unrealised Gain / Loss, if any, arising out of appreciation / depreciation in value of investments is transferred to Revenue Account.

For ensuring uniform valuation of scheme investments by Pension Funds for calculating the Net Asset Value of Schemes on a daily basis, NPS Trust has appointed Stock Holding Corporation of India Limited as a third party valuer for providing valuation services to the Pension Funds.

The Scheme Auditors have noted the following deviations from the guidelines issued by the Authority in respect of valuation undertaken for the schemes:-

PFRDA Guidelines	Valuation Policy
Securities traded at a stock exchange: 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.
Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded.	Money Market instruments are valued like debt securities. i.e. up to 60 days residual maturity - Amortisation, above 60 days - YTM basis.

3. Non-Performing Assets

Scheme investments for which interest and/or principal are overdue have been accounted for as non-performing assets in compliance of the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013. Details of Non-Performing Assets as on 31st March 2016 are disclosed in [Para D2](#).

4. Accounting of Subscribers Contribution

Under the NPS architecture, contributions by subscribers to their individual Permanent Retirement Account Number maintained with Central Recordkeeping Agency are received through the Point of Presence (un-organised sector), Aggregator (NPS Lite), Nodal Offices (Government employees) and Banks (APY) and subsequently remitted to the Trustee Bank for onward transmission to the Pension Funds for investments. The subscriber's contributions are recognized in the Scheme Accounts only on the date of receipt of funds by the Pension Funds from the Trustee Bank. The time lines prescribed by the Authority for remittances of subscribers contributions by different intermediaries are as follows:-

Intermediary	Timelines (Turn Around Time)
Point of Presence	T + 1
Aggregator	T + 3 to 7
Nodal Office	Not prescribed
Trustee Bank	T + 1

Due to the above prescribed timelines, there were subscribers contributions lying with Trustee Bank, Point of Presence and Aggregator as on 31st March 2016 which represented amounts collected from subscribers but units thereof was not allotted to the individual subscribers account. The details of balances lying with the Trustee Bank, Point of Presence and Aggregator are shown in [Para D5, D6 & D7](#) respectively.

5. Accounting of Fees/Charges levied on Subscribers

The accounting for fees/charges paid by the subscribers to the various intermediaries under NPS are not completely reflected in the scheme accounts since the nature and manner of recovery of the fees/charges by the various intermediaries are different as prescribed by the Authority. The intermediaries' fees/charges and the manner of its recovery from the subscriber are as under:-

Intermediary	Charge Head	Method of Deduction	Whether accounted in Scheme Accounts
Custodian	Asset Servicing charges *	NAV deduction, accrued on daily basis	Yes
Pension Fund	Investment Management Fee**	NAV deduction, accrued on daily basis	Yes
Trustee Bank	NA	NA	NA

Intermediary	Charge Head	Method of Deduction	Whether accounted in Scheme Accounts
Central Recordkeeping Agency	CRA Charges***	Extinguishing of units from subscribers account	No
Point of Presence	Processing Fees	Charges collected upfront and Net Amount remitted to Trustee Bank	No
Aggregator	NA	NA	No
NPS Trust	Reimbursement of expenses	NAV deduction, accrued on daily basis	Yes

*The Custodian Fee is exclusive of applicable taxes and other statutory dues.

** The Investment Management Fee is inclusive of all transaction related charges such as brokerage, transaction cost etc. except applicable taxes.

***In case of NPS subscribers from the Government sector, the Central Recordkeeping Agency charges are paid by the respective Government/employer directly and units are not extinguished from their Permanent Retirement Account Number. The details of Central Recordkeeping Agency charges recovered through extinguishment of units from subscriber's accounts for non-government sector are disclosed in [Para D8](#).

Applicable Fees and Charges:-

Intermediary	Fees / Charges	Private	Govt.	NPS Lite
Central Recordkeeping Agency	PRA Opening charges	Rs. 50	Rs. 50	Rs 35
	Annual PRA Maintenance cost per account	Rs. 190	Rs. 190	Rs50
	Charge per transaction	Rs. 4	Rs. 4	12 free
Point of Presence	Initial subscriber registration and contribution upload	Rs. 125	NA	NA
	Any subsequent transactions	0.25% of contribution, Min. Rs 20 Max. Rs 25000	NA	NA
Custodian	Asset Servicing charges	0.0075% p.a for Electronic segment & 0.05% p.a. for Physical segment		
Pension Funds	Investment Management Fee	0.01% p.a	0.0102% p.a.	0.0102% p.a
NPS Trust	Reimbursement of expenses	0.01% pa. w.e.f 1 st Nov 2015		

D. Notes to Financial Statements

1. Compliance of Investment Guidelines

The Pension Funds have invested the contributions received from subscribers in the NPS Schemes in compliance of the Authority's investment guidelines.

2. Details of Non-Performing Assets in Schemes as on 31st March 2016

(Refer Para C3)

Name of the PFM: SBI PENSION FUNDS PRIVATE LIMITED (Rupees in crores)					
SI	Scheme Name	Name of Security	Date of Purchase	Total Face Value	NPA Since
1	Scheme CG	Deccan Chronicle Limited (CP)	22/03/2012	10.00	29/09/2012
2	Scheme SG	Deccan Chronicle Limited (CP)	22/03/2012	10.00	29/09/2012
3	Scheme CG	12.50 % Gujarat NRE Coke Ltd.	06/10/2010	15.00	30/09/2014
4	Scheme SG	12.50 % Gujarat NRE Coke Ltd.	06/10/2010	5.00	30/09/2014
5	Scheme CG	10.20 % Parekh Aluminex Limited	02/12/2010	4.70	01/06/2013
6	Scheme C	10.20 % Parekh Aluminex Limited	02/12/2010	0.20	01/06/2013
7	Scheme CII	10.20 % Parekh Aluminex Limited	02/12/2010	0.10	01/06/2013

Name of the PFM: LIC Pension Fund Limited (Rupees in crores)					
SI	Scheme Name	Name of Security	Date of purchase	Total Face Value	NPA Since
1	CG Scheme	11.15% ERA INFRA ENGINEERING LIMITED NCDs 2014 (27.11.2014)	27/02/2010 30/03/2010 31/03/2010	19.20	27/5/2014
2	CG Scheme	9.75% PAREKH ALUMINEX LTD. NCDs 2014 (01.03.2014).	1/9/2010	1.00	31/5/2013
3	CG Scheme	9.75% PAREKH ALUMINEX LTD. NCDs 2014 (01.09.2014).	1/9/2010	1.00	31/5/2013
4	CG Scheme	9.75% PAREKH ALUMINEX LTD. NCDs 2015 (01.03.2015).	1/9/2010	1.50	31/5/2013
5	CG Scheme	9.75% PAREKH ALUMINEX LTD. NCDs 2015 (01.09.2015).	1/9/2010	1.50	31/5/2013
6	CG Scheme	10.20% PAREKH ALUMINEX LTD. STRPPS 2013 (01.12.2013).	1/12/2010	1.50	31/5/2013
7	CG Scheme	10.20% PAREKH ALUMINEX LTD - STRPPS 2014 (01.12.2014).	1/12/2010	1.50	31/5/2013
8	CG Scheme	10.20% PAREKH ALUMINEX LTD. - STRPPS 2015 (01.12.2015).	1/12/2010	2.00	31/5/2013
9	CG Scheme	10.75% ELDER PHARMACEUTICALS LTD NCDs 2015 (23.12.2015)	1/2/2011	4.58	24/9/2013
10	CG Scheme	10.90% Bhushan Steel Limited (26.08.2018)	26/8/2010	7.00	26/11/2015
11	CG Scheme	10.25% AMTEK AUTO LTD. NCDs 2015 (20.09.2015)	1/10/2010	7.00	20/12/2015

12	SG Scheme	11.15% ERA INFRA ENGINEERING LIMITED NCDs 2014 (27.11.2014)	27/02/2010 30/03/2010	1.00	27/5/2014
13	SG scheme	9.75% PAREKH ALUMINEX LTD. NCDs 2014 (01.03.2014).	1/9/2010	1.00	31/5/2013
14	SG scheme	9.75% PAREKH ALUMINEX LTD. NCDs 2014 (01.09.2014).	1/9/2010	1.00	31/5/2013
15	SG scheme	9.75% PAREKH ALUMINEX LTD. NCDs 2015 (01.03.2015).	1/9/2010	1.50	31/5/2013
16	SG scheme	9.75% PAREKH ALUMINEX LTD. NCDs 2015 (01.09.2015).	1/9/2010	1.50	31/5/2013
17	SG scheme	10.20% PAREKH ALUMINEX LTD. STRPPS 2013 (01.12.2013).	1/12/2010	0.60	31/5/2013
18	SG scheme	10.20% PAREKH ALUMINEX LTD - STRPPS 2014 (01.12.2014).	1/12/2010	0.60	31/5/2013
19	SG scheme	10.20% PAREKH ALUMINEX LTD. - STRPPS 2015 (01.12.2015).	1/12/2010	0.80	31/5/2013
20	SG Scheme	10.75% ELDER PHARMACEUTICALS LTD NCDs 2015 (23.12.2015)	1/2/2011	4.58	24/9/2013
21	SG scheme	10.90% Bhushan Steel Limited (26.08.2018)	26/8/2010	5.00	26/11/2015
22	SG Scheme	10.25% AMTEK AUTO LTD. NCDs 2015 (20.09.2015)	1/10/2010	3.00	20/12/2015

Legal action has already been initiated against the issuer/companies for recovery of the outstanding dues in the respective schemes.

3. Unitization of Pool Account

The contributions which had been transferred by the Government Nodal Offices without proper details of subscribers till 30th April 2012 has been invested by the Pension Funds but units have not been allotted to individual subscribers account due to non-availability of subscriber's data for proper identification of the contributions by Central Recordkeeping Agency. The amount of contributions lying in the 'pool account' is as follows:-

Financial Year	Units	Value
As on March 2015	4,63,70,887.6955	93,18,66,916.06
As on March 2016	2,06,48,050.9312	44,10,67,871.13

The Board of NPS Trustees have initiated measures to nullify the said 'pool account' and allocate the units to the individual subscribers by adopting a process of reconciliation to identify the funds with subscribers through co-ordination of information between the Trustee Bank (Axis Bank) (erstwhile Bank Of India), Central Recordkeeping Agency and Nodal Offices.

4. Residual Units

The term “residual units” means units lying with the Central Recordkeeping Agency which have not been allotted to any subscriber due to the differences that arise due to rounding off units to four decimal places while allocating units to the individual subscriber accounts. The balance of residual units and their value as on 31st March 2016 in respect of all the 57 Schemes managed by the seven Pension Funds was 37889.6395 units valued Rs724699.44.

5. Details of balances lying with Trustee Bank as on 31st March 2016

(Refer Para B3& C4)

PFs Name	Amt. (in crores)
HDFC Pension Management Company Limited	8.77
ICICI Prudential Pension Funds Management Company Limited	5.88
Kotak Mahindra Pension Fund Limited	1.42
LIC Pension Fund Limited	64.03
Reliance Capital Pension Fund Limited	0.46
SBI Pension Funds Private Limited	101.46
UTI Retirement Solutions Limited	49.28
Grand Total	231.30

6. Details of balances with Point of Presence as on 31st March 2016

(Refer Para B4& C4)

Sl	Name of Point of Presence	Amt. in Rupees
1	Punjab National Bank	22,57,90,173.28
2	State Bank of India Mumbai Main Branch	9,78,03,775.00
3	Assam Power Distribution Company Ltd.	4,20,21,979.27
4	Karur Vysya Bank	3,76,87,438.00
5	ICICI Bank	3,65,87,111.39
6	Oriental Bank of Commerce	3,13,26,853.48
7	Alankit Assignments Ltd	2,87,19,302.41
8	UTI Asset Management Company Ltd	2,63,66,054.10
9	HDFC Securities Ltd	2,32,07,648.30
10	Axis Bank Ltd	1,53,29,398.11
11	Assam Electricity Grid Corporation Limited	1,47,19,202.00
12	Reliance Capital Ltd	1,24,78,418.36
13	Punjab & Sind Bank (5000553)	96,96,687.00
14	ICICI Securities Limited (POP06102015)	94,35,709.00
15	Canara Bank	50,17,969.36
16	Computer Age Management Services Pvt Ltd	38,65,651.99
17	Corporation Bank	36,44,196.59
18	IL&FS Securities Services Ltd	32,33,488.80
19	South Indian Bank	27,84,041.73
20	Union Bank of India	26,27,819.55

Sl	Name of Point of Presence	Amt. in Rupees
21	Stock Holding Corporation of India Ltd	24,00,866.00
22	Bank of Maharashtra	23,60,362.00
23	State Bank of Hyderabad	19,07,097.00
24	State Bank of Travancore	18,34,409.00
25	Bank of Baroda	15,00,884.12
26	Way2Wealth Brokers Pvt Ltd	13,91,304.08
27	Kotak Mahindra Bank Ltd	13,78,004.57
28	Marwadi Shares and Finance Limited	11,58,670.95
29	State Bank of Bikaner & Jaipur, Vashi	10,17,242.00
30	Karvy Financial Services Private Ltd	9,94,025.00
31	India Post NPS Nodal Office	9,44,451.00
32	Allahabad Bank Kolkata Main Branch	8,54,436.00
33	Abhipra Capital Ltd	7,97,035.25
34	Elite Wealth Advisors Limited	7,92,153.00
35	India Infoline Finance Limited	7,10,097.06
36	Steel City Securities Limited	6,30,188.41
37	Assam Power Generation Corporation Limited	4,46,189.00
38	Andhra Bank	4,39,080.05
39	The Federal Bank Ltd	3,17,743.00
40	Eureka Stock & Share Broking Services Ltd	3,00,000.00
41	Bank of India	2,48,459.00
42	Syndicate Bank 5000354	2,05,418.60
43	Religare Securities Ltd	1,68,511.96
44	Dayco Securities Ltd	1,59,500.00
45	Ventura Securities Limited	1,50,000.00
46	Vijaya Bank	1,00,000.00
47	Integrated Enterprises (India) Ltd	98,679.40
48	Lakshmi Vilas Bank	76,451.14
49	State Bank of Mysore	52,834.00
50	Central Bank of India	49,875.00
51	Dena Bank	40,037.53
52	UCO Bank (DD BLOCK 1870)	33,507.57
53	Zen Securities Ltd	26,396.85
54	Bajaj Capital Ltd	2,000.00
55	Indian Bank	1,429.52
56	SMC Global Securities Ltd (5000715)	650.00
57	DBFS Securities Limited	166.00
Total		65,59,31,071.78

7. Details of balances with Aggregator as on 31stMarch 2016

(Refer Para B4& C4)

Sl.	Name of Aggregator	Amt. in Rupees
1	Director Women and Child Development	32,98,10,077.29
2	UTI Infrastructure Technology & Services Limited	1,82,44,386.64

Sl.	Name of Aggregator	Amt. in Rupees
3	LIC Housing Finance Ltd	1,48,78,250.78
4	KSUWSSB-M/S	77,63,541.00
5	Canara Bank	73,03,267.00
6	Building & other Construction Workers Welfare Board Rajasthan	70,31,097.04
7	Alankit Assignments Limited	67,59,096.20
8	IFMR Rural Finance Services Pvt Ltd	35,74,212.05
9	AP Board	31,63,449.00
10	Shree Kshethra Dharmasthala Rural Development Project *Dharmasthala	26,89,543.00
11	Shri Mahila Sewa Sahakari Bank Limited	26,37,700.00
12	Bank of Baroda	25,56,728.00
13	Gujarat Infotech Limited	21,92,200.00
14	India Infoline Finance Limited	19,65,246.77
15	BWDA Finance Limited	18,24,000.00
16	Indur Intideepm Producers MACS Federation Ltd	17,85,042.85
17	Cashpor Micro Credit	17,79,700.00
18	Adhikar Micro Finance Pvt Ltd	14,22,801.00
19	Margdarshak Financial Services Limited	12,15,479.00
20	United Bank of India	11,80,823.00
21	South Indian Bank	10,45,747.00
22	Abhipra Capital Limited	8,96,395.95
23	State Bank of Hyderabad	6,01,638.00
24	Saptrishi Consultancy Services Ltd	5,83,089.00
25	CSC e-Governance Services India Limited	5,74,363.11
26	Assam Gramin Vikash Bank	3,90,913.00
27	State Bank of India	3,48,480.00
28	Indian Bank	3,42,500.00
29	Bank of Maharashtra	3,35,275.00
30	Vijaya Bank	3,28,900.00
31	Punjab National Bank	3,20,075.00
32	Union Bank of India, E Focal Point Branch Karol Bagh, New Delhi	3,04,546.00
33	IL&FS Securities Services Ltd	2,90,586.00
34	Indian Overseas Bank	2,32,180.00
35	Esaf Microfinance & Investments (P) Ltd	2,27,691.16
36	Sarva Haryana Gramin Bank Branch office Rohtak Main	1,96,700.00
37	Allahabad Bank	1,74,150.00
38	Swayamshree Micro Credit Services	1,05,902.00
39	Allahabad UP Gramin Bank - Bahraich	96,600.00
40	Oriental Bank of Commerce	92,200.00
41	Bank of India	90,100.00
42	Jagaran Microfin Private Limited	65,300.00
43	Samhita Community Development Services	64,641.17

Sl.	Name of Aggregator	Amt. in Rupees
44	Baroda Rajasthan Kshetriya Gramin Bank Alwar	62,361.00
45	Centre for Development Orientation and Training, C DOT	57,236.00
46	LIC of India	43,050.00
47	Andhra Bank	33,000.00
48	State Bank of Patiala	9,500.00
49	Syndicate Bank	3,000.00
50	Saptagiri Grameena Bank	918.00
	Total	42,76,93,678.01

8. Scheme wise redemptions due to collection of charges by Central Recordkeeping Agency from non-government subscribers.

(Refer Para B5 & C5)

Sl	Scheme	31 March 2016	March 31, 2015
1	CG	24,126	-
2	SG	12,731	-
3	Corp. CG	36,593,460	19,060,924
4	NPS Lite	198,199,241	128,742,532
5	APY	53,243,606	-
6	E Tier I	16,192,799	7,516,269
7	E Tier II	150,914	83,895
8	C Tier I	11,134,059	4,485,761
9	C Tier II	103,425	52,723
10	G Tier I	11,425,761	5,359,786
11	G Tier II	114,146	57,410
	Total	327,194,268	165,359,300

9. NAV as per Audited Scheme Financial Statements and NAV declared by Pension Funds to Central Record Keeping Agency (CRA) as on 31st March 2016.

On comparison of the NAV of Schemes declared by the Pension Funds to CRA on 31st March 2016 with the NAV derived from the audited Scheme Financials, the following differences were observed which is within the limit of 1% as prescribed under clause 2(i) (c)(iii) of Valuation Policies of Schedule (A) of the PFRDA (Preparation of Financial Statements and Auditor's Report of schemes under National Pension System) Guidelines -2012:

PF Name	Scheme Name	Audited Scheme Financials	Declared by CRA	Difference
SBI PF	Central Govt	21.7483	21.7479	0.0004
	State Govt	18.6981	18.6979	0.0002
	C Tier - I	20.8011	20.8010	0.0001

PF Name	Scheme Name	Audited Scheme Financials	Declared by CRA	Difference
	C Tier - II	19.0818	19.0813	0.0005
UTI PF	State Govt	18.7274	18.7273	0.0001
	NPS Lite	17.3989	17.3988	0.0001
	C Tier - II	18.0690	18.0689	0.0001
LIC PF	Central Govt	21.1809	21.1555	0.0254
	State Govt	18.9238	18.9160	0.0078
	NPS Lite	17.3643	17.3536	0.0107
	E Tier - I	13.2415	13.2420	-0.0005
	E Tier - II	11.1234	11.1235	-0.0001
HDFC PF	C Tier - I	13.4614	13.4613	0.0001
	C Tier - II	12.6597	12.6596	0.0001
	G Tier - I	13.2194	13.2193	0.0001
	G Tier - II	13.5156	13.5155	0.0001
KOTAK PF	NPS Lite	15.3799	15.3800	-0.0001
	E Tier - I	18.2815	18.2816	-0.0001
	E Tier - II	16.2234	16.2235	-0.0001
	C Tier - I	20.6095	20.6096	-0.0001
	C Tier - II	17.7405	17.7408	-0.0003
	G Tier - I	17.6679	17.6680	-0.0001
	G Tier - II	16.6372	16.6375	-0.0003

For M. M. Nissim & Co.
Chartered Accountants
Firm Reg. No. 107122W

For and on Behalf of National Pension System Trust

SD/-
Sanjay Khemani
Partner
M. No. 044577
Place: Mumbai
Date: 8 /7/2016

SD/-
Shailesh V. Haribhakti
(Chairman, NPS Trust Board)
Place: Mumbai
Date: 28 /6/2016

SD/-
Kamal Chaudhry
(Chief Executive Officer)
Place: Mumbai
Date: 28 /6/2016

नेशनल पेंशन सिस्टम ट्रस्ट
(एन पी एस ट्रस्ट)
के
सेटलोर

Settlors of National Pension System Trust



पेंशन निधि विनियामक और विकास प्राधिकरण
Pension Fund Regulatory & Development
Authority

नेशनल पेंशन सिस्टम
ट्रस्ट

(एन पी एस ट्रस्ट)

की

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(NPS Trust)

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