



No. 1/20/2018/NPST

Date: 19 September 2019

Subject: Automating monitoring and evaluation at National Pension System Trust (NPST)

The National Pension System Trust (NPST) is interested in procuring a compliance / reporting / business intelligence / audit management / analytics / visualization solution to automate its critical role of monitoring and evaluating fellow intermediaries in the National Pension System (NPS). NPST is looking for a reputed branded solution with impressive track record of deployment among users in the financial sector.

Towards the above objective, NPST invites suitable firms, capable of deploying the desired solution, to attend a presentation by its department heads, as per the following programme:

Day and Date : Friday, 4 October 2019
Time : 11:45 am onwards
Venue : Hotel Four Points by Sheraton
New Delhi / Airport highway
Plot No. 9, Samalka, NH-8,
New Delhi - 110 037

The presentation will be followed by question-answer session to help the participating firms and NPST gain better understanding of NPST's requirements and the kind of solutions available in the market respectively. **NPST will then prepare and float a limited tender only among the firms attending the above presentation.**

Interested firms may register their interest in attending the presentation scheduled for 4 October 2019 by immediately sending an email to: dgm1@npstrust.org.in cc: ceo@npstrust.org.in and ceosect@npstrust.org.in, stating 'Automation Presentation' in the subject line.

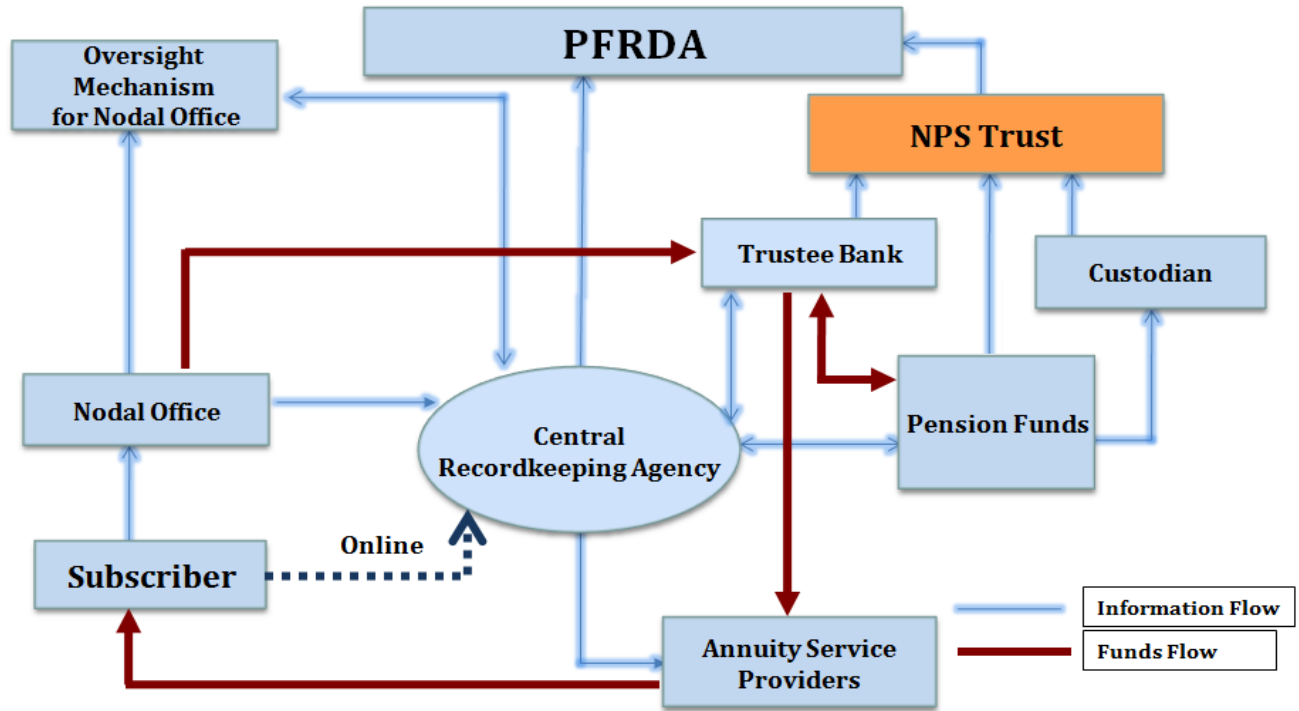
NPST has prepared and uploaded a brief document, with the same title as in the subject line above, at npstrust.org.in/tenders-and-rfp and <https://eprocure.gov.in/epublish/app>. Interested firms are strongly advised to go through the same and bring its hard copy along on 4 October.

Sections below provide details on the structure of NPS and the role of NPST in NPS.

OVERVIEW

National Pension System (NPS), earlier known as New Pension Scheme (NPS), was launched with effect from 1 January 2004 and in the initial phase covered the new entrants to the Central Government services (excluding Defence Forces). NPS is now applicable on employees of majority of State Governments, Central Autonomous bodies and some State Autonomous bodies. NPS was extended to all other citizens of India from 1 May 2009 on voluntary basis and has also been made available to the corporates.

DIAGRAMMATIC REPRESENTATION OF PRESENT NPS ARCHITECTURE



NATIONAL PENSION SYSTEM TRUST

National Pension System Trust (NPST) is established by PFRDA as per the provisions of the Indian Trusts Act of 1882 for taking care of the assets and funds under the NPS in the best interest of the subscribers. The powers, functions and duties of NPS Trust are laid down under the PFRDA (National Pension System Trust) Regulations 2015, besides the provisions of the Trust deed dated 27 February 2008. NPS Trust is the registered owner of all assets under the NPS architecture which is held for the benefit of the subscribers under NPS. The securities are purchased by Pension Funds on behalf of, and in the name of the NPS Trust, however individual NPS subscriber remains beneficial owner of the securities, assets and funds. NPS Trust, under the NPS Trust regulations, is responsible for monitoring the operational and functional activities of NPS intermediaries' viz. Custodian, Pension Funds (PFs), Trustee Bank, Central Recordkeeping Agency, Points of Presence and that of IRDAI registered Annuity Service Providers (empanelled with PFRDA) and also for providing directions/advisories to PF(s) and other intermediaries for protecting the interest of subscribers, ensuring compliance through audit by Independent Auditors, performance review of Pension Funds etc.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (PFRDA)

Pension Fund Regulatory and Development Authority (PFRDA) was initially established as an interim regulator for NPS vide Government of India notification dated 10 October 2003 and subsequently with the passage of the PFRDA Act 2013 and its notification on 1 February 2014, PFRDA has been established as the statutory Authority for regulating and developing the pension sector in India.

PFRDA is responsible for registration of various intermediaries in the system such as Central Record Keeping Agencies (CRAs), Pension Funds (PFs), Custodians, Trustee Bank, etc. PFRDA has a significant role to play in safeguarding the interest of the subscribers. It regulates the manner in which each intermediary functions under the NPS architecture so as to ensure fair play for subscribers. It also ensures that all stakeholders/ intermediaries comply with the PFRDA Act/ Guidelines/ Regulations/ Circulars issued by PFRDA from time to time.

CENTRAL RECORDKEEPING AGENCY (CRA)

It is an agency appointed by PFRDA to perform the functions of recordkeeping, accounting and administration for subscribers. The recordkeeping, accounting and administration functions for all subscribers of the National Pension System are centralized and performed by the CRA. The CRA is responsible for receiving instructions from Nodal Offices/PoPs and subscribers etc. through CRA web system, transmitting such instructions to the appointed Trustee Bank and Pension Fund to act accordingly. The CRA monitors subscriber contributions and instructions and transmits information to the Trustee Bank and relevant Pension Fund on a regular basis. The CRA provides periodic, consolidated PRAN statements to each subscriber and has hosted the eNPS online platform on behalf of NPS Trust.

TRUSTEE BANK

The Trustee Bank is appointed by PFRDA for providing banking services to the NPS architecture. The Trustee Bank receives funds from various nodal offices/PoPs, reconciles the funds received with the subscriber details provided by CRA, transfers funds to PFs and Annuity Service Providers based on instruction given by the CRA.

PENSION FUNDS (PFs)

Pension Funds (PFs) are appointed/registered by PFRDA to manage the pension contributions of all subscribers under NPS through various schemes mandated by PFRDA. Subscribers have the option to select the PFs and allocate their contributions in one or more schemes of the PFs. The PFs are responsible for investment of NPS contributions in different asset classes. The terms and conditions of registration for PFs and their duties and functions are contained under regulation 12 and 22 respectively of the PFRDA (Pension Fund) Regulations, 2015.

On a broader perspective, PFs are required to undertake the investment management of the schemes and make investment management decisions within the scheme objectives as per the investment guidelines and instructions specified by PFRDA. PFs are required to optimize the return on the investments of the funds of the subscribers deployed by it and exercise all due diligence in carrying out its duties and in protecting the rights and interests of the subscribers.

CUSTODIAN

Regulation 27 of PFRDA (Custodian of Securities) Regulations, 2015 authorizes NPS Trust to Inspect and Audit the Custodian for the functional/operational activities undertaken under NPS and Regulation 16 of PFRDA (Custodian of Securities) Regulations, 2015 prescribes submission of extracts relating to the assets or business of the pension funds to NPS Trust based on the quarterly audited books of accounts by an Internal Auditor. The functions of Custodian include:

- a) Monthly evaluation and monitoring of the provisions of Investment Management Agreement executed between the Pension Fund and NPS Trust. Hold the scheme securities in Demat a/c in the name of NPS Trust.
- b) Undertaking activities as a Domestic Depository in terms of the Depositories Act, 1996 or as permitted by the Securities and Exchange Board of India.
- c) Providing custodial services to Pension Funds managing the Schemes on behalf of NPS Trust.
- d) Collection of benefits or rights accruing on the securities.
- e) Informing Pension Funds about corporate actions
- f) Maintaining and reconciling records of the securities.

Additionally, provides valuation services to Pension Funds for computing Scheme NAV.

NODAL OFFICES

a. Central Government Nodal Offices:

PrAO, PAO and DDO

The Principal Accounts Office (PrAO), Pay and Accounts Office (PAO) and Drawing & Disbursing Office (DDO) under the Central Government or analogous offices under Central Government and Central Autonomous Bodies are intermediaries which interact with CRA on behalf of the Subscribers for purpose of NPS.

b. State Government Nodal Offices

DTA, DTO and DDO

The Directorate of Treasury and Accounts (DTA), District Treasury Office (DTO) and Drawing & Disbursing Office (DDO) under the State Governments or analogous offices under State Governments and State Autonomous Bodies are intermediaries which interact with CRA on behalf of the Subscribers for purpose of NPS.

POINTS OF PRESENCE (POP)

POP is the first point of interaction between the subscriber and the NPS architecture. Point of Presence (POP) performs the functions relating to registration of subscribers, undertaking Know Your Customer (KYC) verification, receiving contributions and instructions from subscribers and transmission of the same in the NPS architecture. PoP(s) and their authorized branches (PoP-SPs) shall also be required to comply with the provisions of the Prevention of Money Laundering (PML) Act, 2002 and the rules framed thereunder, as may be applicable from time to time.

Points of Presence have been appointed under PFRDA (Point of Presence) Regulations, 2018 or PFRDA (Point of Presence) Regulations, 2015 or PFRDA (Aggregator) Regulations, 2015 for performing any one or more of the following activities:

- i. National Pension System (NPS) – Distribution and servicing for public at large through physical as well as online platforms
- ii. National Pension System (NPS) – Distribution and servicing for citizens at large through online platforms only
- iii. National Pension System (NPS) – Distribution and servicing only for own employees and other personnel either through physical or online platforms.
- iv. NPS- Lite - *Swavalamban* scheme
- v. Atal Pension Yojana (APY)
- vi. Any other scheme regulated or administered by PFRDA.

ANNUITY SERVICE PROVIDERS

At the time of exit from NPS for reasons other than death of the subscriber, the subscriber is required to purchase an annuity providing for a monthly pension to the subscriber from an Annuity Service Provider empanelled with PFRDA. Annuity Service Providers are IRDA licensed and regulated Life Insurance companies, transacting annuity business in India and who are empanelled by PFRDA for servicing the annuity requirements of the NPS subscribers.

VALUATION AGENCY

The securities held in the portfolio of NPS schemes are valued in accordance of the PFRDA (Preparation of Financial statements and Auditors Report of Schemes under National Pension system) Guideline-2012. For ensuring adoption of uniform practices for valuation of securities by all the pension fund, NPS Trust appointed valuation agency for providing third party valuation services. The role of Valuation agency encompasses providing the price for each individual security, held in the scheme portfolio, to the pension funds for enabling them to compute Net Asset Value (NAV) of each scheme at the end of the day.

In broader perspective, the valuation of NPS Scheme assets are market to market. In practice, valuation of equity scrips are undertaken at the closing price from National Stock Exchange (NSE) and valuation of debt instruments (corporate bonds, debentures and government securities) are undertaken at the market price if traded and if not traded, these securities are valued at average prices derived from matrices obtained from valuation agencies. corporate debt securities are valued at traded prices or after applying matrix of spreads based on credit rating.

PROXY ADVISORY FIRM

NPS Trust is required to play an active role in deciding on the voting 'for' or 'against' the resolutions and to exercise the voting rights to ensure that voting supports the interests of the subscribers over the long term. As per the circular issued by PFRDA, under 'Common stewardship code' is applicable on NPS Trust which clearly specified that all the pension Funds under NPS architecture shall follow this code. One of the principle of this code is that the intermediary should have clear policy on voting and disclosure of voting activity. NPS Trust has engaged proxy voting firms which are providing online services on details of the resolutions put up by the companies and their pros-and cons. The proxy firms have customized framework where all the stakeholders of NPS architecture involved in the voting process may use the same platform and the process remains interlinked.

GRIEVANCE REDRESSAL MECHANISM IN NPS

The present structure of the Consumer Grievance Redressal system under National Pension System has a multi layered Grievance Redressal Mechanism which is easily accessible, simple, quick, fair, responsive and effective. Subscribers have various options of registering their grievances /complaints;

THROUGH WEB BASED INTERFACE:

Subscriber can register his grievance/complaint into the Central Grievance Management System through the following web link.

<https://cra-nsdl.com/CRA/cgmsMenuOnloadForSub.do>

On successful registration, a token number will be displayed on the screen, which may be noted and used for future references and tracking of complaint.

OTHER MODES OF REGISTERING GRIEVANCE/COMPLAINT:

- Through Call Centre/Interactive Voice Response System (IVR)
- Through Physical forms

If the complainant is not satisfied with the redressal of his grievance or if it has not been resolved by the intermediary by the end of thirty days of filing of complaint, he may escalate the complaint to the National Pension System Trust (NPS Trust) through any one of the following modes –

- Website: www.npstrust.org.in
- Letter: Subscribers may also raise their grievance by writing to NPS Trust at the following address -

Grievance Redressal Officer (GRO)
 NPS Trust, 3rd Floor, B-14/A, Chatrapati Shivaji Bhawan,
 Qutab Institutional Area, Katwaria Sarai
 New Delhi – 110 016

FUNCTIONS OF NATIONAL PENSION SYSTEM TRUST

The Trust is responsible for the monitoring of the operational and service level functions under the National Pension System or any other pension scheme regulated under the PFRDA Act, 2013, if it is so directed by PFRDA.

Broadly, the following are the obligations / responsibilities and liabilities of the Board of Trustees:

1. Execute the individual pension account in its name with the subscriber.
2. Approving audited scheme financials, internal audit reports, inspection, compliance reports and any other reports, as specified by the Authority, which are to be submitted by the intermediaries to the National Pension System Trust.
3. Monitoring and evaluation of all operational and service level activities of all intermediaries including government nodal offices and such other entity or person connected with collection, management and recordkeeping and distribution of accumulations, under the National Pension System, in accordance with the provisions of the Act or the regulations made or guidelines or circulars issued by the Authority.
4. Monitor and audit, the operational activities of and call for any information or reports from all intermediaries and issue instructions for protecting the interests of the beneficiaries;
5. Take the custody or keep under its control, all the property of the Trust, held by intermediaries, in Trust for the beneficiaries.
6. protect the properties of the National Pension System Trust and safeguard the interests of the National Pension System Trust and its beneficiaries;
7. Supervise the collection of any income due on assets held in the name of the National Pension System Trust and for claiming any repayment of tax and holding any income received in trust for the beneficiaries in accordance with the Trust Deed and, the regulations, guidelines or directions issued by the Authority.
8. Taking of action on reports submitted by the intermediaries in order to ensure compliance with the regulations applicable to them under the National Pension System.
9. Exit of the subscriber from the National Pension System.
10. Redressal of subscriber grievances in accordance with the Pension Fund Regulatory and Development Authority (Redressal of Subscriber Grievance) Regulations, 2015.

ORGANIZATIONAL STRUCTURE OF NPS TRUST

National Pension System Trust is governed by the Board of Trustees who have the legal ownership of the trust and the funds. The Trust is regulated by PFRDA through the PFRDA (NPS Trust) regulations, 2015. PFRDA appoints the Chairman, Trustees and the CEO of the NPS Trust.

The general superintendence, direction and management of the affairs of the Trust and all powers, authorities and discretions are vest in the Board of Trustees. The Board meets once in every three calendar months.

The Board of Trustees of NPS Trust are required to oversee the various audit reports, compliance reports of the intermediaries besides monitoring the performance of PFMs. Following paragraphs bring out major monitoring and evaluation functions of the Trust:

1. Board and Board Sub-committees

Subject to PFRDA Act, 2013 and PFRDA (NPS Trust) Regulations, 2015, the Board of Trustees of NPS Trust has the legal ownership of the Trust and the funds. 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 vest in the Board of Trustees. In furtherance of the Board's objectives, various subcommittees of Trustees have been constituted for deciphering issues and presenting the findings along with their recommendations to the Board through in-depth analysis of the issues which can be relied upon by the Board for taking informed decisions.

2. Office of the CEO

The CEO is responsible for day-to-day administration and management of the Trust subject to the superintendence, control and direction of the Board of NPS Trust. The office of CEO comprises the CEO and his Personal Secretary.

3. Pension Funds/Custodian/CRA/e-NPS/FATCA and CERSAI compliance/Valuation/Proxy Advisory under GM:

Sr. No	Name of the Department	Responsibilities of the department
a)	Pension Funds	<p>Examination & Analysis of periodic statements, compliance reports and audit reports submitted by seven Pension Funds on monthly, quarterly, half-yearly and yearly basis (approx. 2,900 reports per annum). Noting of exceptions, requesting explanations and ensuring compliance through regular follow-up.</p> <p>Reporting of exceptions to PFRDA along with NPST comments and also reporting to the Board of Trustees of NPS Trust for their direction and advise.</p> <p>Submission of periodic reports to PFRDA related to Pension Funds' performance.</p> <p>Verification and communicating approvals to Pension Funds for debiting expenses to schemes viz of Investment Management Fee of Pension funds and NPST fee/charges (568 bills per annum).</p> <p>Based on exceptions noted and experience gained from operations, functional processes/reports are reviewed for refinement and improvement on a continuous basis which are placed to the Board before implementation.</p>

Sr. No	Name of the Department	Responsibilities of the department
		<p>Appointment of Scheme Auditors, conducting of Audit Meetings and coordinating with scheme auditors for implementation of the scope of audit and ensuring compliance of regulatory guidelines.</p> <p>Scrutiny of Scheme Auditor Certifications, Scheme Accounts (71 nos), Detailed Audit Report (DAR), consolidation of scheme accounts and placing the same to the Board of NPS Trust for approval.</p> <p>Preparation of inputs for Annual Report in consultation with the Business Review Consultant.</p> <p>Co-ordination with Business Review Consultant. Review of the analysis submitted by Business Review Consultant.</p> <p>Analysis of performance of the NPS schemes and calculation of scheme returns on weekly and monthly basis and uploading of the same on NPS Trust's website.</p> <p>Calling for quotes from the banks and placing the same before the investment committee for decision to invest the temporarily surplus amount.</p> <p>Miscellaneous reports to the authority on adhoc basis, providing comments on policy and procedure as and when requested by PFRDA.</p>
b)	Custodian	<p>Examination & analysis of periodic statements, compliance reports and audit reports submitted by Custodian on monthly, quarterly, half yearly and yearly basis (17 reports per annum). Noting of exceptions, requesting explanations and ensuring compliance through regular follow-ups.</p> <p>Reporting of exceptions to PFRDA along with NPST comments and also reporting to the Board of Trustees of NPS Trust for their direction and advice.</p> <p>Submission of periodic reports to PFRDA related to Custodian function.</p> <p>Verification of and communicating approvals to Pension Funds for debiting expenses related to custodial charges of custodian (284 bills per annum).</p>
c)	Central Recordkeeping Agencies (CRAs)	<p>Examination & analysis of periodic statements, compliance reports and audit reports submitted by two CRAs on monthly, quarterly, half yearly and yearly basis (142 reports per annum). Noting of exceptions, requesting explanations and ensuring compliance through regular follow-up. Endorsements of new functionalities/processes developed by CRA before implementation.</p> <p>Reporting of exceptions to PFRDA along with NPST comments and also reporting to the Board of Trustees of NPS Trust for their direction and advice.</p>

Sr. No	Name of the Department	Responsibilities of the department
		Submission of periodic reports related to CRA operations.
		Based on exceptions noted and experience gained from operations, functional processes/reports are reviewed for refinement and improvement on a continuous basis which are placed before the Board before implementation.
		Miscellaneous reports to the Authority on adhoc basis, providing comments on policy and procedure as and when requested by PFRDA.
d)	E-NPS- online services to Subscribers (Function performed as Point of Presence (PoP))	Selection and appointment of payment gateway service provider through a competitive bidding process to ensure least cost of transacting on the online e –NPS platform.
		Monitoring of e-NPS platform hosted by CRA on behalf of NPS Trust for receiving online contributions through banks, Credit/Debit cards. Review of processes and incorporating of new subscriber service functionalities. Handling of charge backs.
		Monitoring subscriber's online transactions, settlement and transfer of funds by payment gateway service provider to Trustee Bank.
e)	NPS Trust registration with CERSAI/ FATCA	Registration of NPS Trust with CERSAI and FATCA
		NPS Trust being registered as Reporting Entity for FATCA/CRS Compliance, co-ordination with CRAs, Consultant for generation of reports for reporting under FATCA. Coordinating with the consultant for filing of FATCA/CRA compliance reports.

4. Points of Presence, Aggregators, Exits & Withdrawals, APY, Finance & Accounts, Marketing under DGM (SJ):

Sr. No	Name of the Department	Responsibilities of the department
a)	Points of Presence (POPs)	Examination & analysis of periodic statements, compliance reports and audit reports submitted by more than 80 PoPs on a monthly, quarterly, half yearly and yearly basis (approx. 2,500 reports per annum). Noting of exceptions, requesting explanations and ensuring compliance through regular follow-up.
		Reporting of exceptions to PFRDA along with NPST comments and also reporting to the Board of Trustees of NPS Trust for their direction and advice.
		Submission of periodic reports to PFRDA related to various issues in the performance of PoPs.
		Based on exceptions noted and experience gained from operations, functional processes/reports are reviewed for refinement and

Sr. No	Name of the Department	Responsibilities of the department
		<p>improvement on a continuous basis which are placed before the Board before implementation.</p> <p>Appointment of auditors including floating of RFP, conducting audit meetings and coordinating with auditors for implementation of the scope of audit and ensuring compliance with regulatory guidelines.</p> <p>Scrutiny of audit reports received from the auditors appointed. Communication of deviations observed to the respective PoPs. Ensuring compliance by PoPs on deviations observed. Ensuring closure of audit reports.</p> <p>Miscellaneous reports to the Authority on adhoc basis, providing comments on policy and procedure as and when requested by PFRDA.</p> <p>Obtaining Indemnity bonds from PoPs in cases of Error Rectification module where PoP is not able to obtain consent of the subscribers.</p> <p>Follow up with PoPs for submission of account balance certificate and settlement of un-reconciled balances.</p> <p>Issuance of advisories to PoPs.</p>
b)	Aggregators (now these are also called POPs)	<p>Examination & analysis of periodic statements, compliance reports and audit reports submitted by 49 Aggregators on monthly, quarterly, half yearly and yearly basis (approx. 1,500 reports per annum). Noting of exceptions, requesting explanations and ensuring compliance through regular follow-ups.</p> <p>Reporting of exceptions to PFRDA along with NPST comments and also reporting to the Board of Trustees of NPS Trust for their direction and advice.</p> <p>Submission of periodic reports to PFRDA relating to various issues in the performance of Aggregators.</p> <p>Based on exceptions noted and experience gained from operations, functional processes/reports are reviewed for refinement and improvement on a continuous basis which are placed before the Board before implementation.</p> <p>Appointment of auditors including floating of RFP, conducting audit meetings and coordinating with auditors for implementation of the scope of audit and ensuring compliance with regulatory guidelines.</p> <p>Scrutiny of audit reports received from the auditors appointed. Communication of deviations observed to the respective Aggregators. Ensuring compliance by Aggregators on deviations observed. Ensuring closure of audit reports.</p> <p>Miscellaneous reports to the Authority on adhoc basis, providing comments on policy and procedure as and when requested by PFRDA</p>

Sr. No	Name of the Department	Responsibilities of the department
		<p>Examination of the exceptional cases of Swavalamban eligibility, earlier not considered due to various reasons like ERM or late processing of cases by Aggregators etc.</p> <p>Follow up with Aggregators for submission of Account balance certificate and settlement of un-reconciled balances.</p> <p>Issuance of advisories to Aggregators.</p>
c)	Exits and withdrawals	<p>Examination & analysis of periodic statements, compliance reports and audit reports submitted by CRA on exits and withdrawals on monthly, quarterly and yearly basis (44 reports per annum). Noting of exceptions, requesting explanations and ensuring compliance through regular follow-ups.</p> <p>Identification & implementation of changes prescribed under PFRDA Exits & Withdrawals Regulations, 2015.</p> <p>Handling of escalated queries from CRA and nodal offices, PoPs and aggregators in exits and withdrawals. Preparing draft guidelines for exits & withdrawals, preparation of draft forms for exits & withdrawals.</p> <p>Constant follow-up with nodal offices in government sector, PoPs and Aggregators on issues related to pending withdrawals and exit claims.</p> <p>Inspection of PoPs and Aggregators on the specific issue of exits.</p> <p>Examining and providing suitable responses to the exit cases referred by CRA to NPS Trust, taking legal opinion in such cases, if required.</p> <p>Approval for continuation requests as per rules.</p>
d)	Atal Pension Yojana (APY)	<p>To advise PFRDA on the details of APY eligible subscribers during a particular financial year based on the inputs of CRA.</p> <p>Obtaining APY Utilization Certificates (UCs) from APY service providers (APY-SPs) since FY 2015-16. The same also involves extensive communication with APY SPs through telephone calls.</p>

5. Trustee Bank, Grievances, Information Technology, RTI, Official Language under DGM (DAK):

Sr. No	Name of the Department	Responsibilities of the department
a)	Trustee Bank (TB)	<p>Analysis of monthly performance reports submitted by the Trustee Bank and reporting of observations and exceptions to the CEO and the Board of NPS Trust. Further, monthly performance of Trustee Bank and the observed</p>

Sr. No	Name of the Department	Responsibilities of the department
		deviations are reported to the Authority for information and necessary regulatory action wherever required.
		Analysis of Quarterly Concurrent Audit Reports (certified by the Trustee Bank appointed auditor) submitted by TB and reporting of observations and exceptions to the CEO and the Board of NPS Trust. Further, the observed deviations are reported to the Authority for information and necessary regulatory action wherever required.
		<p>Appointment of auditors for annual audit of Trustee Bank including framing the scope of audit, floating of RFP, conducting audit meetings and coordinating with auditor for implementation of the scope of audit and ensuring compliance with regulatory guidelines.</p> <p>Analysis of the annual audit report submitted by the auditor and reporting of observations and exceptions to the CEO and the Board of NPS Trust. Further, the observed deviations are reported to the Authority for information and necessary regulatory action wherever required.</p>
		Seeking clarifications from Trustee Bank / CRA based on the observations made in the monthly performance reports, quarterly concurrent audit reports and the annual audit reports.
		Based on exceptions noted and experience gained from operations, functional processes/reports are reviewed for refinement and improvement on a continuous basis which are placed before the Board before implementation.
		Analysis, verification, presentation, exception reporting and follow-up of periodic statements submitted on daily, weekly and monthly basis by the Trustee Bank. The consolidated reports submitted by the Trustee Bank are analyzed and the fund collection and rejection statuses and exceptions reported to the CEO / Board.
		RFP for appointment of auditors for completing the task of pool reconciliation of CG Funds.
		In respect of funds lying in pool account, coordinating with the Trustee Bank / CRA to match and book the funds remitted to Bank of India in case to case basis whenever the nodal offices provide the details of funds and the Trustee Bank in turn is able to identify the same. Further, seeking clarifications from the Authority in this regard wherever necessary.
		For the outstanding balance lying in the withdrawal account, obtaining status of each transaction from CRA and subsequently regular follow-ups with the concerned subscribers / PAOs/ POPs for providing active bank account details to CRA for executing the same. For ERM cases, follows-ups with the concerned PAOs for furnishing appropriate bank account details to CRA.
		In respect of funds rejection by the Trustee Bank, intimating those offices making repeated mistakes while remitting the contributions and sensitizing them to the importance of timely remittance of NPS contributions along

Sr. No	Name of the Department	Responsibilities of the department
		<p>with the detailed list of mistakes that offices generally make while remitting so as to avoid future rejections.</p> <p>Miscellaneous reports to the Authority on adhoc basis, providing comments on policy and procedure as and when requested by PFRDA.</p>
b)	Grievances	<p>Monitoring of Central Grievance Management System (CGMS) through examination & analysis of periodic statements, compliance reports submitted by CRA in respect of grievances on monthly and quarterly basis. Monitoring the timelines for resolution and follow-up of escalated grievances for closure to subscriber's satisfaction.</p> <p>Endorsing new functionalities/processes developed by CRA in respect of CGMS before implementation.</p> <p>Follow-up on grievances with other NPS intermediaries.</p> <p>Attending to the grievances raised against NPS Trust and providing suitable resolutions or if the grievance requires further attention of the concerned intermediary, retagging the same against that intermediary with an advisory to resolve the grievance.</p> <p>Attending to escalated grievances where the subscriber is not satisfied with the resolution provided by the intermediary and initiating follow-up action based on the nature of the escalated grievance:</p> <p>(i) When the grievance involves monetary loss to the subscriber, sending communication by way of physical letter to the intermediaries advising them to resolve the grievance within stipulated timelines. The applicable clauses of regulations for seeking compensation by the subscriber in case the grievance is not resolved within the stipulated timeline to the satisfaction of the subscriber is also brought to the notice of the concerned intermediary.</p> <p>(ii) In case the grievance involves only service requests and not serious in nature, retagging the grievance to the concerned intermediary with an advisory from NPS Trust to re-resolve the grievance to the satisfaction of the subscriber.</p> <p>(iii) Wherever possible, providing direct resolution to the subscriber and closing the escalated grievance in CGMS.</p> <p>(iv) Referring the policy related issues to PFRDA for issuing suitable clarifications/guidelines.</p> <p>In compliance with the PFRDA policy on transferring of grievances from NPS Trust to PFRDA, issuing physical letters to the Nodal Offices/PoPs where the grievances have crossed 60 days and are still pending for resolution.</p> <p>Handling and resolving of grievances raised through email and grievances received in physical mode.</p>

Sr. No	Name of the Department	Responsibilities of the department
		Submission of the monthly status of grievances namely summary, age-wise analysis, category type analysis, sector-wise pending grievances to the Chief Executive Officer, NPS Trust on monthly intervals.
		Reporting of exceptions to PFRDA along with NPST comments and also reporting to the Board of Trustees of NPS Trust for their direction and advice.
		Submission of periodic reports to PFRDA related to various issues in the Grievance resolution.
		Miscellaneous reports to the Authority on adhoc basis, providing comments on policy and procedure as and when requested by PFRDA.

Income sources:

1. NPS Trust generates income from the following sources:
 - a. Through recovery of administrative charges / expenses @ 0.005% per annum of the Assets under Management (AUM) on daily accrual basis;
 - b. Interest on Fixed Deposits; and
 - c. Interest on Savings Deposits.

Existing Work Flow -

a. MIS, Exception Reporting and Analysis:

NPS Trust receives periodic reports on monthly, quarterly, half-yearly and annual basis from different registered intermediaries in the National Pension System. These reports are received in XLS/Word/PDF formats through email/physical mode, validated, and are checked for compliance.

Concerned departments at NPS Trust validate the received data, check for compliance, analyse these reports, note exceptions, seek explanations from the intermediaries thus ensuring compliance through regular follow-ups. There is regular reporting of exceptions to PFRDA along with NPST comments and also reporting to the Board of Trustees of NPS Trust for their direction and advice. This data is also being consolidated manually for MIS reporting to the Authority which requires substantial effort.

Further, 'Trackers' are being prepared for continuous follow-up with the intermediaries. These trackers become huge dependencies for users and at times multiple versions of trackers get accumulated leading to more wastage of time and less reliability of the final information.

b. Audits and Inspections:

NPS Trust conducts audit/inspection of its intermediaries through its own officers or through external agencies and keeps tracks of the findings. Audit reports are submitted in physical form which are also obtained in soft form for further analysis. Further, intermediaries submit internal audit reports/statutory audit reports and other reports.

c. Grievance Monitoring:

Grievances are escalated to NPST Trust or raised against NPS Trust as per the grievance redressal policy through email, physical letters, telephone or through Central Grievance Management System (CGMS) portal maintained by both the CRAs. The data/reports received from both the CRAs are consolidated manually, analysed and submitted to PFRDA and findings also shared with the Board of Trustees.

As part of grievance monitoring, reminders in the form of physical letters are sent to all nodal offices having grievances pending for more than 60 days.

- d.** The present system poses the following challenges: Lack of automated and robust data collation process; Lack of data validation process at the time of data collation and consolidation; Lack of automated data assimilation & consolidation process; Lack of system supported follow-up; Low data accuracy; Data retention issues and Limited Analysis; Clustered and semi-automated grievance management system etc.

In view of the above, NPS Trust intends to automate its monitoring and evaluation processes, thereby building confidence with the regulators, Trustees, as well as with other intermediaries and subscribers, by establishing a strong risk data governance and issue reporting framework.
