

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED

ANNUAL REPORT 2019-2020

SCHEME E TIER I

SCHEME C TIER I

SCHEME G TIER I

SCHEME A TIER I

SCHEME E TIER II

SCHEME C TIER II

SCHEME G TIER II

To The subscribers,

Aditya Birla Sun Life Pension Management Limited ("the Company") presents the annual report along with the audited financials statements of the schemes for the year ended 31st Mar 2020.

During the year ended 31st Mar 2020, the Company managed the following 7 schemes under the National Pension System

1. Scheme E Tier I
2. Scheme E Tier II
3. Scheme C Tier I
4. Scheme C Tier II
5. Scheme G Tier I
6. Scheme G Tier II
7. Scheme A Tier I

BACKGROUND OF THE TRUST, SPONSOR AND PENSION FUND MANAGEMENT COMPANY

a) THE TRUST

Pension Fund Regulatory and Development Authority ('PFRDA') was established by the Government of India on August 23, 2003 to promote old age income security by establishing, developing and regulating pension funds, to protect the interests of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto.

The National Pension System Trust ('NPS Trust') was established by PFRDA on February 27, 2008 with the execution of the NPS 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). Individual NPS subscribers shall be the beneficiaries of the NPS Trust.

b) SPONSOR

Aditya Birla Sun Life Insurance Company Limited (ABSLI) is one of the leading private sector life insurance companies in India. ABSLI was incorporated on August 4, 2000, and commenced operations on January 17, 2001. ABSLI offers a range of products across the customer's life cycle, including children future plans, wealth protection plans, retirement and pension solutions, health plans, traditional term plans and Unit Linked Insurance Plans ("ULIPs"). As of December 2019, the total AUM of ABSLI stood at Rs. 427,907 million. ABSLI has a nation-wide distribution presence through 397 branches, 8 bancassurance partners, 6 distribution channels, over 82,000 direct selling agents, other Corporate Agents and Brokers and through its website. The company has over 13,000 employees and more than 17 lac active customers.

c) PENSION FUND

Aditya Birla Sun Life Pension Management Limited (ABSLPM) is a Pension Fund registered with PFRDA vide registration no PFRDA/BirlaPF/2016 dated 23rd Feb 2016. It commenced its operation from 9th May 2017.

As a part of its business strategy, ABSLPM has also obtained registration as a Point of Presence (PoP), to promote/ market/ sell NPS, under regulation 3 sub regulation (1) of Pension Fund Regulatory & Development Authority (Point of Presence) Regulations, 2018.

ABSLPM is the wholly owned subsidiary of Aditya Birla Sun Life Insurance Company Limited.



BASIS AND POLICY OF INVESTMENTS

The subscriptions are invested as per the investment guidelines and restrictions laid down in Schedule II of the Investment Management Agreement (IMA) and as per guidelines prescribed by the Authority from time to time. Further, investments are also governed by internal norms laid down in the investment policy, subject to the above guidelines.

ECONOMIC SCENARIO

Domestic Economic Environment

The year started positively, as there was stability on the political front following the Lok Sabha elections. The central government took several measures to provide an impetus to the economy and financial markets. Corporate tax was reduced, GST rates were rationalized and the Insolvency and Banking Code was enacted. India experienced record monsoon rains and this was a positive for agriculture. However, later in the year financial markets, which was already battling with the NBFC crisis, had to face more uncertainty due to the collapse of a large co-operative bank as well as trouble at a large private bank. Growth in several sectors, especially the automobile sector and the real estate sector, began to slow down. GDP growth estimates for FY19-FY20 was initially pegged at 7.2%. Actual quarterly growth rates however have been disappointing. GDP growth registered in Q1FY20 was 5.6% and this fell to 4.7% in Q3FY20. The year ended with further shocks to the economy as India announced a complete lockdown to enforce social distancing to contain the spread of the Covid 19 virus.

Global Economic Environment

Global growth continued to slow down in FY20. IMF had initially predicted a global grow rate of 3.9%, but this was revised downwards multiple times through the year. US and China engaged in a tariff war for most of the year, though they were finally able to negotiate a trade agreement. The Euro zone did not show any sign of improvement during the year, as growth in France and Italy unexpectedly shrank in Q4. United Kingdom, after long period of negotiation and changes to the term of separation, officially left the EU on 1st Feb 20 and economic growth remained subdued. The US economy grew by around 2% in the year. Brent crude nosedived from \$65 per barrel to a low of \$20 per barrel as Russia and Saudi Arabia failed to reach an agreement on production cuts. The situation worsened by March 2020 and the overall demand environment deteriorated as countries across the world went in for lockdowns to contain spread of the Covid19 virus. Financial markets across the world collapsed. Central Banks in both developed and emerging economies shifted their monetary stance from hawkish to dovish, as inflation expectation softened and serious growth concerns started emerging. Central Banks infused significant liquidity through various quantitative measures. The US Federal Reserve announced a \$2.3 trillion stimulus package including package for small business, consumer, state, cities, municipalities.



Market Outlook

Equity

The NSE NIFTY lost 26% during the year, ending the year at a level of 8,598 after touching a peak of 12,362 on 14th January 2020. Equity markets remained in the 11,000-12,000 range till Feb 2020. Global liquidity and the cut in corporate taxes by the Indian government helped sustain the positive market sentiment. However expensive valuations and growth concerns capped the upside. Reversing all the gains made earlier in the year, equity markets collapsed in March 2020, as the spread of the Covid19 pandemic created panic across the globe.

The global economy is expected to enter into a recession in 2020-21. We expect the equity markets to remain under pressure in the coming few quarters. Any shift in investor sentiment would depend on a number of factors such as a slow-down in the spread of virus, development of a treatment protocol for the virus/ development of a vaccine to prevent the spread of the corona virus, withdrawal of the lockdown and clarity on the financial impact of the lockdown.

Fixed Income

Globally Interest rates fell across the curve during the year and Indian interest rates followed the same path. The 10-year Indian Government Bond yield dropped 135 bps in the year, from 7.49% to a year end level of 6.14%. Interest rates dropped due to several factors including (i) a significant softening of inflation (ii) growth concerns (iii) a significant drop in oil prices and (iv) the softening of global interest rates. Interest rates across the world moved down in FY19-20, with the US Fed cutting policy rates by 225bps in FY20 along with significant quantitative easing including packages to support states, cities and municipalities.

CPI inflation in India dropped to 5.91% in March 2020, after touching a high of 7.59% in January 2020. Brent crude oil prices collapsed to around \$20 per barrel while the 10 year US treasury has fallen to 0.7%. We expect the 10-year G-sec rate to remain in the 6.00%-6.75% range in 2020-21.

INVESTMENT OBJECTIVE OF THE SCHEME

The investment objectives of NPS Scheme(s) managed by Aditya Birla Sun Life Pension Management Limited are as under:

Sr no.	Name of Scheme	Investment Objective
	Scheme E – Tier I	To optimize returns through investments in equity shares within the prescribed universe of stocks and money market instruments.
	Scheme E – Tier II	
	Scheme C – Tier I	To optimize returns through investments in eligible fixed income instruments within the prescribed universe and money market instruments.
	Scheme C – Tier II	
	Scheme G – Tier I	



	Scheme G – Tier II	To optimize returns through investments in Government and government guaranteed securities and money market instruments.
	Scheme A – Tier I	To optimize returns through investments in: -
		a. Commercial mortgage-based securities or Residential mortgaged based securities b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India c. Asset backed securities regulated by the Securities and Exchange Board of India d. Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India e. Alternative Investment Funds (AIF Category I & II) registered with Securities and Exchange Board of India.

SCHEME PERFORMANCE AND OPERATIONS

Scheme E Tier I – Equity market instruments

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2020	Rs.51.38 crores	
NAV as on 31/03/2020	9.2801	
Performance as on 31/03/2020: -		
Period	CAGR Return%	
	Scheme	Benchmark [#]
1 Year	-23.64%	-25.56%
2 Year	-7.81%	-7.89%
Since Inception	-2.55%	-2.45%

BSE100 Total Return Index (TRI)

Scheme C Tier I –Credit risk bearing fixed income instruments

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2020	Rs.34.92 crores	
NAV as on 31/03/2020	13.1840	
Performance as on 31/03/2020: -		
Period	CAGR Return%	
	Scheme	Benchmark [#]
1 Year	11.75%	11.73%
2 Year	9.88%	9.51%
Since Inception	10.02%	8.41%

NPS – Corporate Bond Index



Scheme G Tier I –Government Securities

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2020	Rs.48.45 crores	
NAV as on 31/03/2020	13.0816	
Performance as on 31/03/2020: -		
Period	CAGR Return%	
	Scheme	Benchmark [#]
1 Year	14.96%	15.64%
2 Year	12.01%	11.79%
Since Inception	9.72%	9.27%

NPS – Government Securities Index

Scheme A Tier I –Alternative Investment Funds (AIF)

Date of Inception	May 15 th , 2017	
Fund size as on 31/03/2020	Rs.0.81 crores	
NAV as on 31/03/2020	12.0513	
Performance as on 31/03/2020: -		
Period	CAGR Return%	
	Scheme	Benchmark [#]
1 Year	5.82%	NA
2 Year	6.69%	NA
Since Inception	6.66%	NA

No comparable indices replicating the mandate of the scheme is available due to the nascent stage of the product.

Scheme E Tier II – Equity market instruments

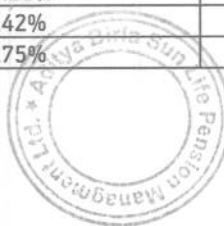
Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2020	Rs.5.30 crores	
NAV as on 31/03/2020	9.2368	
Performance as on 31/03/2020: -		
Period	CAGR Return%*	
	Scheme	Benchmark [#]
1 Year	-23.47%	-25.56%
2 Year	-7.94%	-7.89%
Since Inception	-2.70%	-2.45%

BSE100 Total Return Index (TRI)

Scheme C Tier II –Credit risk bearing fixed income instruments

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2020	Rs.3.87 crores	
NAV as on 31/03/2020	12.7504	
Performance as on 31/03/2020: -		
Period	CAGR Return%	
	Scheme	Benchmark [#]
1 Year	11.26%	11.73%
2 Year	9.42%	9.51%
Since Inception	8.75%	8.41%

NPS – Corporate Bond Index



Scheme G Tier II –Government Securities

Date of Inception	May 9 th , 2017		
Fund size as on 31/03/2020	Rs.5.37 crores		
NAV as on 31/03/2020	12.586		
Performance as on 31/03/2020: -			
Period	CAGR Return%		
	Scheme		Benchmark [#]
1 Year	14.58%		15.64%
2 Year	11.77%		11.79%
Since Inception	8.27%		9.27%

NPS – Government Securities Index

LIABILITIES AND RESPONSIBILITIES OF THE PF

The Company has been appointed by PFRDA as a pension fund manager for the management of investment of the Schemes referred above and, in that capacity, makes investment decisions and manage the Scheme in accordance with the Investment Guidelines, Scheme Objectives, Investment Management Agreement (IMA) and provisions given under the PFRDA Guidelines / regulations / rules. The transactions entered into by the Company are in accordance with the PFRDA Guidelines, IMA and code of ethics prescribed by the Trustees.

The Company has exercised necessary due diligence and vigilance in carrying out its duties under IMA and in protecting the rights and interest of the subscribers. Investment decisions have been taken with emphasis on safety and optimum returns. The Company has not dealt in any speculative transactions in dealing for investments. The Company will be responsible for the acts of omission or commissions of its employees or the persons whose services have been procured by the Company.

DISCLAIMER

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

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

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



INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c Scheme E Tier I (the Scheme)** managed by **Aditya Birla Sun Life Pension Management Limited (PFM)** which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 and a summary of significant accounting policies and other explanatory information.

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

- a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2020;
- b) in the case of the Revenue Account, of the deficit of the Scheme for the period ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

Other Information



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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain



professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;
- d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and
- e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:



- Investments have been valued in accordance with the guidelines issued by PFRDA
b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

Ray

Ray & Ray
Chartered Accountants
Firm Registration No. 301072E


Anil Karnik
Partner

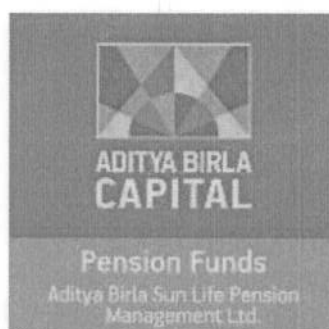
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UDIN0031005AAAABJ6140



Place: Mumbai

Date: 25 May 2020



**NPS TRUST A/C ADITYA BIRLA SUN LIFE PENSION
MANAGEMENT LIMITED**

SCHEME E TIER I

**Financial Statements together with Auditors' Report
For the Financial year ended March 31, 2020**

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

AUDITED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Schedule	Scheme E Tier I	
		31st Mar 2020	31st Mar 2019
Income			
Dividend		7,942,488	2,964,894
Miscellaneous income		-	131
Profit on sale/redemption of investments		16,525,518	1,190,325
Unrealised gain on appreciation in investments		-	45,334,210
Total Income (A)		24,468,006	49,489,560
Expenses & Losses			
Loss on sale/redemption of investments		12,183,992	8,882,479
Unrealised loss on appreciation in investments		167,603,120	14,030,455
Management fees (including service tax)		63,349	32,953
NPS Trust fees		18,675	10,217
Custodian fees		19,020	10,214
Brokerage		-	-
CRA fees		628,158	449,413
Less : Amount recoverable on sale of units on account of CRA Charges		-628,158	-449,413
NSDL & SEBI charges		4,899	1,281
Total Expenditure (B)		179,893,056	22,967,599
Surplus/(Deficit) for the year (A-B = C)		-155,425,049	26,521,961
Less: Amount transferred to Unrealised appreciation account		-167,603,120	31,303,755
Less: Amount transferred to General Reserve		12,178,071	-4,781,794
Amount carried forward to Balance Sheet		-	-



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

AUDITED BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Schedule	Scheme E Tier I	
		31st Mar 2020	31st Mar 2019
Liabilities			
Unit Capital	1	553,640,016	402,150,915
Reserve & Surplus	2	-39,857,317	86,615,855
Current Liabilities	3	1,022,701	274,610
Total		514,805,400	489,041,379
Assets			
Investment	4	513,219,415	479,940,230
Deposits	5	-	-
Other Current Assets	6	1,585,985	9,101,149
Total		514,805,400	489,041,379
(a) Net asset as per Balance Sheet (Schedule 4+5+6-3)		513,782,699	488,766,769
(b) Number of units outstanding		55,364,002	40,215,091

The notes referred to above form an integral part of the financial Statements.



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 1: Unit capital

Particulars	Schedule	Scheme E Tier I	
		31st Mar 2020	31st Mar 2019
Initial capital			
Unit Capital			
Outstanding at the beginning of the period		402,150,915	106,619,114
Add :Units issued during the period		277,230,009	490,168,290
Less: Units redeemed during the period		125,740,908	194,636,489
Outstanding at the end of the period		553,640,016	402,150,915
(Face Value of Rs.10/- each unit, fully paid up)		10.00	10.00
Outstanding units at the beginning of the period		40,215,091	10,661,911
Add :Units issued during the period		27,723,001	49,016,829
Less: Units redeemed during the period		12,574,091	19,463,649
Outstanding Units at the end of the period		55,364,002	40,215,091

Schedule 2: Reserves and surplus

Particulars	Schedule	Scheme E Tier I	
		31st Mar 2020	31st Mar 2019
Unit premium reserve			
Opening balance		63,077,595	12,810,345
Add: Premium on Units issued		55,492,403	83,720,637
Less: Premium on Units redeemed		26,540,523	33,453,388
Closing balance		92,029,473	63,077,595
General Reserve			
Opening balance		-4,485,917	295,877
Add/(Less): Transfer from/(to) Revenue Account		12,178,071	-4,781,794
Closing balance		7,692,154	-4,485,917
Unrealised Appreciation Reserve			
Opening balance		28,024,177	-3,279,578
Add/(Less): Transfer from/(to) Revenue Account		-167,603,120	31,303,755
Closing balance		-139,578,943	28,024,177
Total		-39,857,316.71	86,615,854.59



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 3: Current liabilities and provisions

Particulars	Schedule	Scheme E Tier I	
		31st Mar 2020	31st Mar 2019
Current liabilities & Provisions			
Sundry creditors for expenses			
Redemption Payable		992,757	257,022
TDS Payable			
Contracts for purchase of investments		-	-
NPS charges payable		2,291	1,180
NSDL & SEBI Payable		4,415	1,244
Management fees payable		17,760	11,626
Custodial charges payable		5,477	3,538
Amount payable to other schemes			
Provisions*			
Total		1,022,701	274,610

* The Provision referred above is towards TDS payable on Custodian fees.

Schedule 4: Investments (Long Term and Short Term)

Particulars	Schedule	Scheme E Tier I	
		31st Mar 2020	31st Mar 2019
Equity shares		492,479,414	463,547,415
Others - Mutual Fund Units		20,740,001	16,392,815
Total		513,219,415	479,940,230

Schedule 5: Deposits

Particulars	Schedule	Scheme E Tier I	
		31st Mar 2020	31st Mar 2019
Deposits with scheduled banks		-	-
Total		-	-

Schedule 6: Other current assets

Particulars	Schedule	Scheme E Tier I	
		31st Mar 2020	31st Mar 2019
Balances with banks in current account		1,518,785	9,004,850
Contracts for sale of investments		-	-
Brokerage receivable from PFM		267,870	108,963
Receivable for sales invest		-267,870	-108,963
Application money pending allotment			
Others - Dividend receivable		67,199	96,299
Total		1,585,985	9,101,149

Schedule 7: Realised Gain on Sale/redemption of investment

Particulars	Schedule	Scheme E Tier I	
		31st Mar 2020	31st Mar 2019
REALISED GAIN ON SALE /REDEMPTION OF INVESTMENT			
Profit on Sale of Equity shares		15,901,784	796,169
Profit on sale of Mutual fund scheme Units		623,735	394,156
Total		16,525,518	1,190,325



ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED
E-TIER I
Mar-20

Money Market Instruments:-				Market Value	% of Portfolio
- Treasury Bills				Nil	-
- Money Market Mutual Funds				20,740,001	4.04%
- Certificate of Deposits / Commercial Papers				Nil	
- Application Pending Allotment				Nil	
- Bank Fixed Deposits (< 1 Year)				Nil	
- Cash/ Cash Equivalent				1,518,785	0.30%
- Other Current Assets				(955,501)	-0.19%
GRAND TOTAL				513,782,699	100.00%



NPS TRUST A/C
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019	Remarks/Formula/Method of Cal.
1	NAV Per Unit (Rs.)*			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	12.1967	10.9217	Closing NAV as on 1st April of the Current F Y
	High	13.1231	12.6673	Highest NAV during the F Y
	Low	8.2995	10.7630	Lowest NAV during the F Y
	End	9.2801	12.1538	Closing NAV as on 31st March of the Current F Y
2	Closing Assets Under Management (Rs. In Lakhs)			
	End	5,137.83	4,887.67	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	537348401	280205992	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	Gross income as % of AAUM	4.55%	17.66%	Gross Income = Total Income as per Revenue Account
4	Expense Ratio			
a	Total Expense as % of AAUM (Scheme wise)	33.48%	8.20%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.01%	0.01%	IM fees (Including applicable Taxes) as per Revenue Account
5	Net Income as a percentage of AAUM	-28.92%	9.47%	Net Income = Surplus / Deficit as per Revenue Account
6	Portfolio turnover ratio	0.32	0.15	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	Returns (%)* Compounded Annualised Yield			
	Last 1 Year	-23.6%	11.3%	
	Last 3 Years			CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$
	Last 5 Years			(where n=365/no. of days)
	Since Launch of the scheme (09.05.2017)	-2.59%	10.85%	

* Declared NAV; Returns calculated based on declared NAV



NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I
NOTE 7 Notes to Accounts

8 Investments

8.1 All investments of the scheme are in the name of the NPS trust.

8.2 At the end of the financial year, there are no open positions of derivatives in the scheme

The Schemes investments made in associates and Group companies as on Mar 31, 2020

Security particulars	no of shares/bonds	3/31/2020		no of shares/bonds	3/31/2019	
		Cost	Market Value (Cr)		Cost	Market Value (Cr)
		0	0		0	0

8.3 As on the date of Balance sheet, the scheme does not have any investments which can be categorized as NPA

Security particulars	Value of security	3/31/2020		3/31/2019	
		Cost	Market Value (Cr)	Cost	Market Value (Cr)
NIL		0	0	0	0

8.4 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2020		As on 31.03.2020		As on 31.03.2019		As on 31.03.2019	
	Rs in Crs	% to AAUM	Cost	Market Value (Cr)	Rs in Crs	% to AAUM	Cost	Market Value (Cr)
Unrealised Gain					4.53	16.17%	34.00	38.53
Unrealised Loss	16.76	31.2%	65.28	51.32	1.40	5.01%	8.06	9.46
Net Unrealised Gain/Loss	16.76	31.2%	65.28	51.32	5.94	0.21	42.06	47.99

8.5 Aggregate value of purchase and sale with percentage to average assets

Particular	E Tier I 31.03.2020	E Tier I 31.03.2019
Average Net Asset Value	537,348,401	280,205,992
Purchase of Investment	1,994,142,444	990,503,772
% to average Net Asset Value	3.71%	3.53%
Sale of Investment	1,799,346,198	654,243,727
% to average Net Asset Value	3.35%	2.33%

8.6 Following are the transaction with Associates & Group companies under the scheme

Name of related party	Nature of relationship	FY 2019-20(Amt in Rs)	FY 2018-19(Amt in Rs)
Aditya Birla Sun Life Pension Management Ltd	Management feea paid	45588.97	21326.64

8.7 The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2020

Particular	E Tier I 31.03.2020	E Tier I 31.03.2019
Investment management fees	63,348.99	32952.52

Balance with Aditya Birla Sun life Pension management Ltd

Particular	E Tier I 31.03.2020	E Tier I 31.03.2019
Investment Management Fees payable	17760.02	11625.88



8.8 Unit Capital

Units are created and redeemed based on the intimation provided by Central Record keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve
Based on confirmation from CRA the number of units as at the year end are 55364002

8.9 Unit NAV

Particular	As on 31.03.2020	As on 31.03.2019
NAV per unit (Rs)	9.2801	12.1538

9 Details of sectoral classification of investment has been appended as part of notes to accounts.

9.1 The scheme has no contingent liability as at the end financial year.

As per our report of even date

For Ray & Ray

Chartered Accountants

Firm Reg. No. 301072E

For Aditya Birla Sun Life Pension Management Company Limited

Anil Karnik

Partner

Membership No. 31005

Sashi Krishnan
(CEO)

Kamlesh Rao
(Director)



Place : Mumbai

Date :

For and on behalf of NPS Trust

Sh. Atanu Sen

(Chairman, NPS Board)

2/9/2020

(Chief Executive officer)

Munish Malik



NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME E TIER I

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.



PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017. NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

The financials have been prepared for SCHEME E TIER I being managed by the Company.

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.



The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

PFRDA in exercise of its powers under sub-clause (b) of sub-section (2) of Sec 14 of the PFRDA Act, 2013, read with Regulation 15 and Regulation 43 of the PFRDA (Pension Fund) Regulations, 2015 issues these guidelines which shall be called as Valuation Policy guidelines, 2019. These guidelines shall supersede earlier guidelines/instructions issued in the matter with effect from 1st January 2020 and shall be followed henceforth.

Valuation Policy followed till 31st December 2019 was as follows:

a. Securities traded at a stock exchange:

- Equity traded on valuation day (Actively Traded equity): Where a security is traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, may be used (Closing prices from BSE/NSE for the day).
- Equity not traded on valuation day (Thinly traded equity): When a security is not traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.
- Non traded rights are valued at the difference of closing market price of the original equity share for the day and the offer price. Traded rights are valued at the closing market price of the rights renunciation till the time of application. In the event of application of rights, the rights entitlement would be valued at the closing market price of the original equity share till the date of allotment/listing.
- Mutual fund units are valued based on the net asset values of the preceding day of the valuation date.

b. Securities not traded at a stock exchange:

Non-traded / thinly traded / privately placed equity securities including those not traded within thirty days are valued "in-good faith" on the basis of following valuation methods approved by the Authority/Trust:

Equity instruments are generally valued on the basis of capitalization of earnings solely or in combination with the net asset value, using for the purposes of capitalization, the price or earning ratios of comparable traded securities and with an appropriate discount for lower liquidity.



The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Analytics Limited (formerly known as ICRA Online Limited) and provided to ABSLPML on daily basis.

Valuation Policy followed from 1st January 2020 onwards is as follows:

S.No	Equity Instruments/ETFs	Valuation Methodology
1)	Securities traded on valuation day	As per closing price of the Principal Stock Exchange. In case, it was not traded on principal stock exchange then the closing price of the secondary stock exchange
2)	Securities not traded on valuation day	When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the principal stock exchange or secondary stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than 30 days prior to valuation date
3)	Securities suspended for reasons other than corporate Actions	i) In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. ii) If an equity security is suspended for more than 30 days, then the valuation may be determined on case to case basis in consultation with PFs, NPS Trust with prior approval of the Authority.
4)	Index Funds	Valued at latest NAV available on AMFI website. Presently, previous day's Scheme NAVs are being considered as Mutual Fund houses declare NAV at 9:00 pm and PFs cut off time for NAV declaration is 8:00 pm



5)	Exchange Traded Funds	As per the closing price of the day of the respective stock exchange.
6)	IPO Application	1. IPO application money pending allotment at cost basis. 2. Post allotment but awaiting listing at allotment price.
7)	Valuation of Futures and Options	Options: i) If traded, then closing price to be considered ii) If not traded, then theoretical price based on Black Scholes Model may be considered. Futures: All futures shall be valued at the settlement price declared by the exchanges where they are traded in.
8)	Valuation of Warrants	a) Traded In case the warrants are traded separately they would be valued as per the valuation guidelines applicable to equity shares. b) Non-traded If not traded, warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant.
9)	Valuation of Preference Shares	a) Traded Securities In case the convertible debentures qualify as traded then they would be valued as per the valuation guidelines applicable to equity shares and valued at cum-interest trade price. b) Thinly Traded / Non-Traded / Unlisted Securities Non-Convertible and Convertible components would be valued separately. i) Non-Convertible component would be valued on the basis of norms governing the valuation of Non-Convertible Debentures and Bonds. ii) Convertible component would be valued at the value of the equity share which would be obtained on conversion. Valuation guidelines related to equity shares would be applicable for the valuation of underlying equity shares
10)	Valuation of Rights	Until the right shares are traded, each right share shall be valued as ex-rights price minus right offer price. In case the rights price is higher than the ex-rights price, then the rights shall be valued at 'nil'. The above formula shall be used till the date of



		allotment. From the date of allotment, the security shall be valued at the exchange closing price.
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- Valuation of Shares on Merger, De-merger and Other Corporate Actions Events

S.No	Corporate Action Event	Valuation Methodology
1)	De-Merger	<p>i) In case the shares of all resultant entities are traded immediately on de-merger, they would be valued at respective traded prices at exchange.</p> <p>ii) In case shares of only one company are listed & traded on de-merger:</p> <ul style="list-style-type: none"> Traded shares are to be valued at traded price Valuation of the shares of other entity pending listing: The value of the entity pending listing/trading is to be estimated at using closing value of the pre-demerger entity on the day before the de-merger, closing value of the listed entity on the ex-date of de-merger and the swap ratio using the following steps: <ul style="list-style-type: none"> Arrive at value / market cap of the pre-demerger entity using the closing price on the day before the demerger and the number of shares outstanding Arrive at value / market cap of the de-merged traded company using closing price on the day of demerger and the number of shares outstanding basis swap ratio Estimated value of the entity pending listing/trading post de-merger = 'a - b'. Value per share to be arrived basis number of shares expected to be outstanding based on the swap ratio If value of the share of de-merged traded company is equal or in excess of the value of pre de-merger share (i.e. a-b is either 0 or negative), then the non-traded demerged share is to be valued at Zero.
2)	Merger	<p>In case of merger, when company 'A' is merged with company 'B' and company 'B' continues to be listed, the proportionate shares allotted of 'B' company against company 'A' will be valued at the closing price of company 'B' on the stock exchange. In case of merger when company 'A' and company 'B' are merged to form company 'C', the value of ending listing company 'C' will be the total valuation price of company 'A' and company 'B' before the ex-date till the new entity</p>



		company 'C' is listed and traded on a stock exchange.
3)	Buy-back of Securities	Market traded price of the shares will be considered for valuation till formal confirmation of acceptance of shares tendered under the buy-back schemes. Quantum of shares accepted under buy-back will be accounted as a sale trade.

Valuation of Mutual Fund Units

Mutual Fund Units Valued at latest NAV available on AMFI website. Presently, previous day's Scheme NAVs are being considered as Fund houses declare NAV at 9:00 pm and PFs declare it at 8:00 pm.

7.4 Income Recognition

- Dividend is accounted on accrual basis and recognised on the date the share is quoted on ex-dividend basis
- Bonus entitled shares is recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- Rights entitlements are recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- Profit or loss on sale of equity is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost on the date of sale.
- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.



7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company charges investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes) according to Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company charges 0.005% per annum Trustee fees with effect from 1st August 2019 vide letter no 1/20/2015/NPST/11442 dated 26th Jul 2019. Prior to that Trustee Fees was charged at "Nil" w.e.f 25th January 2019 per annum, in terms of the National Pension Scheme Trust vide letter no. 1/20/2015/NPS dated January 25, 2019.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due. Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.



c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

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

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c Scheme E Tier II (the Scheme)** managed by **Aditya Birla Sun Life Pension Management Limited (PFM)** which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 and a summary of significant accounting policies and other explanatory information.

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

- a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2020;
- b) in the case of the Revenue Account, of the deficit of the Scheme for the period ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

Other Information



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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain



professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;
- d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and
- e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:



- Investments have been valued in accordance with the guidelines issued by PFRDA
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

Ray

Ray & Ray
Chartered Accountants
Firm Registration No. 301072E


Anil Karnik

Partner

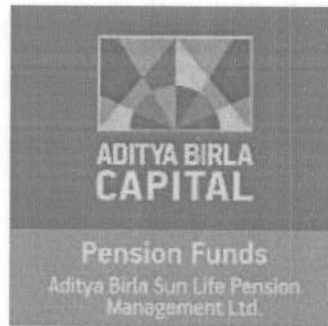
M. No. 31005

UDIN0031005AAAABK9053



Place: Mumbai

Date: 25 May 2020



**NPS TRUST A/C ADITYA BIRLA SUN LIFE PENSION
MANAGEMENT LIMITED**

SCHEME E TIER II

**Financial Statements together with Auditors' Report
For the Financial year ended March 31, 2020**

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

AUDITED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Schedule	Scheme E Tier II	
		31st Mar 2020	31st Mar 2019
Income			
Dividend		790,135	375,979
Miscellaneous income		-	13
Profit on sale/redemption of investments		1,946,742	282,175
Unrealised gain on appreciation in investments		-	4,792,572
Total Income (A)		2,736,877	5,450,739
Expenses & Losses			
Loss on sale/redemption of investments		1,613,801	1,161,465
Unrealised loss on appreciation in investments		15,910,127	1,823,797
Management fees (including service tax)		6,247	3,925
NPS Trust fees		1,861	1,268
Custodian fees		1,900	1,217
Brokerage		-	-
CRA fees		17,246	16,178
Less : Amount recoverable on sale of units on account of CRA Charges		-17,246	-16,178
NSDL & SEBI charges		474	228
Total Expenditure (B)		17,534,410	2,991,901
Surplus/(Deficit) for the year (A-B = C)		-14,797,533	2,458,837
Less: Amount transferred to Unrealised appreciation account		-15,910,127	2,968,775
Less: Amount transferred to General Reserve		1,112,594	-509,938
Amount carried forward to Balance Sheet		-	0.00



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

AUDITED BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Schedule	Scheme E Tier II	
		31st Mar 2020	31st Mar 2019
Liabilities			
Unit Capital	1	57,362,259	39,523,713
Reserve & Surplus	2	-4,377,841	8,177,545
Current Liabilities	3	175,935	464,563
Total		53,160,353	48,165,821
Assets			
Investment	4	52,893,183	47,525,844
Deposits	5	-	-
Other Current Assets	6	267,169	639,977
Total		53,160,353	48,165,821
(a) Net asset as per Balance Sheet (Schedule 4+5+6-3)		52,984,418	47,701,259
(b) Number of units outstanding		5,736,226	3,952,371

The notes referred to above form an integral part of the financial Statements.



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 1: Unit capital

Particulars	Schedule	Scheme E Tier II	
		31st Mar 2020	31st Mar 2019
Initial capital			
Unit Capital			
Outstanding at the beginning of the period		39,523,713	14,534,078
Add :Units issued during the period		43,934,503	68,945,511
Less: Units redeemed during the period		26,095,958	43,955,876
Outstanding at the end of the period		57,362,259	39,523,713
(Face Value of Rs.10/- each unit, fully paid up)		10.00	10.00
Outstanding units at the beginning of the period		3,952,371	1,453,408
Add :Units issued during the period		4,393,450	6,894,551
Less: Units redeemed during the period		2,609,596	4,395,588
Outstanding Units at the end of the period		5,736,226	3,952,371

Schedule 2: Reserves and surplus

Particulars	Schedule	Scheme E Tier II	
		31st Mar 2020	31st Mar 2019
Unit premium reserve			
Opening balance		5,941,029	1,532,540
Add: Premium on Units issued		7,445,358	11,620,119
Less: Premium on Units redeemed		5,203,209	7,211,630
Closing balance		8,183,176	5,941,029
General Reserve			
Opening balance		-463,570	46,368
Add/(Less): Transfer from/(to) Revenue Account		1,112,594	-509,938
Closing balance		649,024	-463,570
Unrealised Appreciation Reserve			
Opening balance		2,700,086	-268,689
Add/(Less): Transfer from/(to) Revenue Account		-15,910,127	2,968,775
Closing balance		-13,210,041	2,700,086
Total		-4,377,841.12	8,177,544.97



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 3: Current liabilities and provisions

Particulars	Schedule	Scheme E Tier II	
		31st Mar 2020	31st Mar 2019
Current liabilities & Provisions			
Sundry creditors for expenses			
Redemption Payable		173,277	462,681
TDS Payable			
Contracts for purchase of investments		-	-
NPS charges payable		-1,021	133
NSDL & SEBI Payable		363	154
Management fees payable		2,974	1,247
Custodial charges payable		342	347
Total		175,935	464,563

* The Provision referred above is towards TDS payable on Custodian fees.

Schedule 4: Investments (Long Term and Short Term)

Particulars	Schedule	Scheme E Tier II	
		31st Mar 2020	31st Mar 2019
Equity shares		50,793,185	47,430,728
Others - Mutual Fund Units		2,099,999	95,116
Total		52,893,183	47,525,844

Schedule 5: Deposits

Particulars	Schedule	Scheme E Tier II	
		31st Mar 2020	31st Mar 2019
Deposits with scheduled banks		-	-
Total		-	-

Schedule 6: Other current assets

Particulars	Schedule	Scheme E Tier II	
		31st Mar 2020	31st Mar 2019
Balances with banks in current account		260,730	629,203
Contracts for sale of investments		-	-
Brokerage receivable from PFM		29,428	11,287
Receivable for sales invst		-29,428	-11,287
Application money pending allotment			
Others - Dividend receivable		6,439	10,775
Total		267,169	639,977

Schedule 7: Realised Gain on Sale/redemption of investment

Particulars	Schedule	Scheme E Tier II	
		31st Mar 2020	31st Mar 2019
REALISED GAIN ON SALE /REDEMPTION OF INVESTMENT			
Profit on Sale of Equity shares		1,878,891	238,925
Profit on sale of Mutual fund scheme Units		67,850	43,249
Total		1,946,742	282,174



NAME OF PENSION FUND
SCHEME NAME
MONTH

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED
E-TIER II
Mar-20

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio
HOUSING DEVELOPMENT FINANCE CORPORATION	INE001A01036	Activities of specialized institutions granting credit for house purchases that also take deposit	1512	2469247.2	4.66%
RELIANCE INDUSTRIES LIMITED	INE002A01018	Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-cryst	3971	4422701.25	8.35%
INFOSYS LTD EQ	INE009A01021	Writing , modifying, testing of computer program to meet the needs of a particular client exc	4425	2838637.5	5.36%
ACC Limited.	INE012A01025	Manufacture of clinkers and cement	505	489092.5	0.92%
LARSEN AND TOUBRO LIMITED	INE018A01030	Other civil engineering projects n.e.c.	2315	1871677.5	3.53%
ASIAN PAINTS LTD.	INE021A01026	Manufacture of paints and varnishes, enamels or lacquers	604	1006566	1.90%
Bharat Petroleum Corporation Limited	INE029A01011	Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other pr	3490	1105981	2.09%
HINDUSTAN UNILEVER LIMITED	INE030A01027	Manufacture of soap all forms	1294	2974259	5.61%
HDFC BANK LTD	INE040A01034	Monetary intermediation of commercial banks, saving banks, postal savings bank and discou	4500	3878550	7.32%
SUN PHARMACEUTICALS INDUSTRIES LTD	INE044A01036	Manufacture of allopathic pharmaceutical preparations	2408	848338.4	1.60%
CPLA LIMITED	INE059A01026	Manufacture of allopathic pharmaceutical preparations	2810	1188208.5	2.24%
STATE BANK OF INDIA	INE062A01020	Monetary intermediation of commercial banks, saving banks, postal savings bank and discou	8598	1692516.3	3.19%
EICHER MOTORS LTD	INE066A01013	MAN/A	33	432164.7	0.82%
Dr. Reddy's Laboratories Limited	INE089A01023	Manufacture of allopathic pharmaceutical preparations	200	624150	1.18%
ICICI BANK LTD	INE090A01021	Monetary intermediation of commercial banks, saving banks, postal savings bank and discou	10017	3243003.75	6.12%
Indusind Bank Limited	INE095A01012	Monetary intermediation of commercial banks, saving banks, postal savings bank and discou	1175	412777.5	0.78%
MAHINDRA AND MAHINDRA LTD	INE101A01026	Manufacture of motor vehicles n.e.c.	2505	713799.75	1.35%
Container Corporation of India Limited	INE111A01025	Switching and shunting	3140	1041381	1.97%
GAIL (INDIA) LIMITED	INE129A01019	Distribution and sale of gaseous fuels through mains	13920	1065576	2.01%
ITC LTD	INE154A01025	Manufacture of cigarettes, cigarette tobacco	10303	1769025.1	3.34%
KOTAK MAHINDRA BANK LIMITED	INE237A01028	Monetary intermediation of commercial banks, saving banks, postal savings bank and discou	898	1163852.9	2.20%
AXIS BANK	INE238A01034	Monetary intermediation of commercial banks, saving banks, postal savings bank and discou	4015	1521685	2.87%
Colgate Palmolive (India) Limited	INE259A01022	Manufacture of preparations for oral or dental hygiene (includes manufacture of toothpastes,	920	1152494	2.18%
Bajaj Finance Limited	INE296A01024	Other financial service activities, except insurance and pension funding activities, n.e.c.	391	866377.8	1.64%
PETRONET LNG LTD	INE347G01014	Distribution and sale of gaseous fuels through mains	4994	997301.8	1.88%
BHARTI AIRTEL LTD	INE397D01024	Activities of maintaining and operating paging, cellular and other tetecommunication network	3713	1637061.7	3.09%
TATA CONSULTANCY SERVICES LIMITED	INE487B01029	Writing , modifying, testing of computer program to meet the needs of a particular client exc	934	1705577.4	3.22%
UltraTech Cement Limited	INE481G01011	Manufacture of clinkers and cement	465	1508855.25	2.85%
MARUTI SUZUKI INDIA LTD.	INE585B01010	Manufacture of passenger cars	207	887678.1	1.68%
TECH MAHINDRA LIMITED	INE689C01036	Writing , modifying, testing of computer program to meet the needs of a particular client exc	1918	1084629	2.05%
United Breweries Limited	INE686F01025	Manufacture of beer	940	863719	1.63%
NTPC LIMITED	INE733E01010	Electric power generation by coal based thermal power plants	11623	978656.6	1.85%
JINDAL STEEL & POWER LTD	INE749A01030	Manufacture of direct reduction of iron (sponge iron) and other spongyferrous products	10880	894336	1.69%
HCL Technologies Limited	INE860A01027	Writing , modifying, testing of computer program to meet the needs of a particular client exc	1120	488768	0.92%
Bajaj Auto Limited	INE917I01010	Manufacture of motorcycles, scooters, mopeds etc. and their engine	472	954549.2	1.80%
Total				50,793,184.70	95.86%
Money Market Instruments:-				Market Value	% of Portfolio
- Treasury Bills				Nil	
- Money Market Mutual Funds				2,099,998.78	3.96%
- Certificate of Deposits / Commercial Papers				Nil	
- Application Pending Allotment				Nil	
- Bank Fixed Deposits (< 1 Year)				Nil	
- Cash/ Cash Equivalent & Net Current Assets				260,729.76	0.49%
- Other Current Assets				(169,494.82)	-0.32%
GRAND TOTAL				52,984,418.42	100.00%



S. No.	Particulars	As at March 31, 2020	As at March 31, 2019	Remarks/Formula/Method of Cal.
1	NAV Per Unit (Rs.)*			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	12.1130	10.9015	Closing NAV as on 1st April of the Current F Y
	High	13.0275	12.6429	Highest NAV during the F Y
	Low	8.3050	10.7275	Lowest NAV during the F Y
	End	9.2368	12.0690	Closing NAV as on 31st March of the Current F Y
2	Closing Assets Under Management (Rs. in Lakhs)			
	End	529.84	477.01	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	52,996,003.00	33,342,446.99	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	Gross Income as % of AAUM	5.16%	16.35%	Gross Income = Total Income as per Revenue Account
4	Expense Ratio			
a	Total Expense as % of AAUM (Scheme wise)	33.09%	8.97%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.01%	0.01%	IM fees (Including applicable Taxes) as per Revenue Account
5	Net Income as a percentage of AAUM	-27.92%	7.37%	Net Income = Surplus / Deficit as per Revenue Account
6	Portfolio turnover ratio	0.39	0.19	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	Returns (%)* Compounded Annualised Yield			
	Last 1 Year	-23.47%	10.71%	
	Last 3 Years			
	Last 5 Years			
	Since Launch of the scheme (09.05.2017)	-2.70%	10.44%	CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)

* Declared NAV; Returns calculated based on declared NAV



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

NOTE 8 Notes to Accounts

8.1 Investments

8.2 All investments of the scheme are in the name of the NPS trust .

8.3 At the end of the financial year , there are no open positions of derivatives in the scheme

The Schemes investments made in associates and Group companies as on Mar 31, 2020

Security particulars	no of shares/bonds	3/31/2020		no of shares/bonds	3/31/2019	
		Cost	Market Value (Cr)		Cost	Market Value (Cr)
		0	0		0	0

8.4 As on the date of Balance sheet , the scheme does not have any investments which can be categorized as NPA

Security particulars	Value of security	3/31/2020		3/31/2019	
		Cost	Market Value (Cr)	Cost	Market Value (Cr)
NIL		0	0	0	0

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2020		As on 31.03.2020		As on 31.03.2019		As on 31.03.2019	
	Rs in Crs	% to AAUM	Cost	Market Value (Cr)	Rs in Crs	% to AAUM	Cost	Market Value (Cr)
Unrealised Gain					0.48	14.37%	2.96	3.44
Unrealised Loss	1.59	30.02%	6.61	5.29	0.18	18.24%	1.50	1.31
Net Unrealised Gain/Loss	1.59	30.02%	6.61	5.29	0.30	32.61%	4.46	4.75

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	E Tier II	E Tier II
	31.03.2020	31.03.2019
Average Net Asset Value	52,996,003	33,342,447
Purchase of Investment	231,760,560	95,370,144
% to average Net Asset Value	4.37%	2.86%
Sale of Investment	210,973,453	65,762,500
% to average Net Asset Value	3.98%	1.97%



8.7 Following are the transaction with Associates & Group companies under the scheme

Name of related party	Nature of relationship	FY 2019-20(Amt in Rs)	FY 2018-19(Amt in Rs)
Aditya Birla Sun Life Pension Management Ltd	Management fees paid	3273.38	2677.97

The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2020

Particular	E Tier II	E Tier II
	31.03.2020	31.03.2019
Investment management fees	6,246.93	3924.87

Balance with Aditya Birla Sun life Pension management Ltd

Particular	E Tier II	E Tier II
	31.03.2020	31.03.2019
Investment Management Fees payable	2,973.55	1246.9

8.8 Unit Capital

Units are created and redeemed based on the intimation provided by Central Record keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve
Based on confirmation from CRA the number of units as at the year end are 5736226

8.9 Unit NAV

Particular	As on 31.03.2020	As on 31.03.2019
NAV per unit (Rs)	9.2368	12.0690

9 Details of sectoral classification of investment has been appended as part of notes to accounts.

9.1 The scheme has no contingent liability as at the end financial year.

As per our report of even date

For Ray & Ray

Chartered Accountants

Firm Reg. No. 301072E

Anil Karnik

Partner

Membership No. 31005

For Aditya Birla Sun Life Pension Management Company Limited

Sashi Krishnan

(CEO)

Kamlesh Rao

(Director)

Place : Mumbai

Date :

For and on behalf of NPS Trust

Sh. Atanu Sen

(Chairman, NPS Board)

(Chief Executive officer)

Munish Malik



NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME E TIER II

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.



PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017. NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

The financials have been prepared for SCHEME E TIER I being managed by the Company.

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.
- (v) **Valuation of Investments**

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.



The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

PFRDA in exercise of its powers under sub-clause (b) of sub-section (2) of Sec 14 of the PFRDA Act, 2013, read with Regulation 15 and Regulation 43 of the PFRDA (Pension Fund) Regulations, 2015 issues these guidelines which shall be called as Valuation Policy guidelines, 2019. These guidelines shall supersede earlier guidelines/instructions issued in the matter with effect from 1st January 2020 and shall be followed henceforth.

Valuation Policy followed till 31st December 2019 was as follows:

a. Securities traded at a stock exchange:

- Equity traded on valuation day (Actively Traded equity): Where a security is traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, may be used (Closing prices from BSE/NSE for the day).
- Equity not traded on valuation day (Thinly traded equity): When a security is not traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.
- Non traded rights are valued at the difference of closing market price of the original equity share for the day and the offer price. Traded rights are valued at the closing market price of the rights renunciation till the time of application. In the event of application of rights, the rights entitlement would be valued at the closing market price of the original equity share till the date of allotment/listing.
- Mutual fund units are valued based on the net asset values of the preceding day of the valuation date.

b. Securities not traded at a stock exchange:

Non-traded / thinly traded / privately placed equity securities including those not traded within thirty days are valued "in-good faith" on the basis of following valuation methods approved by the Authority/Trust:

Equity instruments are generally valued on the basis of capitalization of earnings solely or in combination with the net asset value, using for the purposes of capitalization, the price or earning ratios of comparable traded securities and with an appropriate discount for lower liquidity.



The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Analytics Limited (formerly known as ICRA Online Limited) and provided to ABSLPML on daily basis.

Valuation Policy followed from 1st January 2020 onwards is as follows:

S.No	Equity Instruments/ETFs	Valuation Methodology
1)	Securities traded on valuation day	As per closing price of the Principal Stock Exchange. In case, it was not traded on principal stock exchange then the closing price of the secondary stock exchange
2)	Securities not traded on valuation day	When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the principal stock exchange or secondary stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than 30 days prior to valuation date
3)	Securities suspended for reasons other than corporate Actions	i) In case trading in an equity security is suspended upto 30 days, then the last traded price would be considered for valuation of that security. ii) If an equity security is suspended for more than 30 days, then the valuation may be determined on case to case basis in consultation with PFs, NPS Trust with prior approval of the Authority.
4)	Index Funds	Valued at latest NAV available on AMFI website. Presently, previous day's Scheme NAVs are being considered as Mutual Fund houses declare NAV at 9:00 pm and PFs cut off time for NAV declaration is 8:00 pm



5)	Exchange Traded Funds	As per the closing price of the day of the respective stock exchange.
6)	IPO Application	1. IPO application money pending allotment at cost basis. 2. Post allotment but awaiting listing at allotment price.
7)	Valuation of Futures and Options	Options: i) If traded, then closing price to be considered ii) If not traded, then theoretical price based on Black Scholes Model may be considered. Futures: All futures shall be valued at the settlement price declared by the exchanges where they are traded in.
8)	Valuation of Warrants	a) Traded In case the warrants are traded separately they would be valued as per the valuation guidelines applicable to equity shares. b) Non-traded If not traded, warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant.
9)	Valuation of Preference Shares	a) Traded Securities In case the convertible debentures qualify as traded then they would be valued as per the valuation guidelines applicable to equity shares and valued at cum-interest trade price. b) Thinly Traded / Non-Traded / Unlisted Securities Non-Convertible and Convertible components would be valued separately. i) Non-Convertible component would be valued on the basis of norms governing the valuation of Non- Convertible Debentures and Bonds. ii) Convertible component would be valued at the value of the equity share which would be obtained on conversion. Valuation guidelines related to equity shares would be applicable for the valuation of underlying equity shares
10)	Valuation of Rights	Until the right shares are traded, each right share shall be valued as ex-rights price minus right offer price. In case the rights price is higher than the ex-rights price, then the rights shall be valued at 'nil'. The above formula shall be used till the date of



		allotment. From the date of allotment, the security shall be valued at the exchange closing price.
--	--	----------------------------------------------------------------------------------------------------

- Valuation of Shares on Merger, De-merger and Other Corporate Actions Events

S.No	Corporate Action Event	Valuation Methodology
1)	De-Merger	<p>i) In case the shares of all resultant entities are traded immediately on de-merger, they would be valued at respective traded prices at exchange.</p> <p>ii) In case shares of only one company are listed & traded on de-merger:</p> <ul style="list-style-type: none"> • Traded shares are to be valued at traded price • Valuation of the shares of other entity pending listing: The value of the entity pending listing/trading is to be estimated at using closing value of the pre-demerger entity on the day before the de-merger, closing value of the listed entity on the ex-date of de-merger and the swap ratio using the following steps: <p>a. Arrive at value / market cap of the pre-demerger entity using the closing price on the day before the demerger and the number of shares outstanding</p> <p>b. Arrive at value / market cap of the de-merged traded company using closing price on the day of demerger and the number of shares outstanding basis swap ratio</p> <p>c. Estimated value of the entity pending listing/trading post de-merger = 'a -b'. Value per share to be arrived basis number of shares expected to be outstanding based on the swap ratio If value of the share of de-merged traded company is equal or in excess of the value of pre de-merger share (i.e. a-b is either 0 or negative), then the non-traded demerged share is to be valued at Zero.</p>
2)	Merger	<p>In case of merger, when company 'A' is merged with company 'B' and company 'B' continues to be listed, the proportionate shares allotted of 'B' company against company 'A' will be valued at the closing price of company 'B' on the stock exchange. In case of merger when company 'A' and company 'B' are merged to form company 'C', the value of ending listing company 'C' will be the total valuation price of company 'A' and company 'B' before the ex-date till the new entity company 'C' is listed and traded on a stock exchange.</p>



3)	Buy-back of Securities	Market traded price of the shares will be considered for valuation till formal confirmation of acceptance of shares tendered under the buy-back schemes. Quantum of shares accepted under buy-back will be accounted as a sale trade.
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Valuation of Mutual Fund Units

Mutual Fund Units Valued at latest NAV available on AMFI website. Presently, previous day's Scheme NAVs are being considered as Fund houses declare NAV at 9:00 pm and PFs declare it at 8:00 pm.

7.4 Income Recognition

- Dividend is accounted on accrual basis and recognised on the date the share is quoted on ex-dividend basis
- Bonus entitled shares is recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- Rights entitlements are recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- Profit or loss on sale of equity is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost on the date of sale.
- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.



7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company charges investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes) according to Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company charges 0.005% per annum Trustee fees with effect from 1st August 2019 vide letter no 1/20/2015/NPST/11442 dated 26th Jul 2019. Prior to that Trustee Fees was charged at "Nil" w.e.f 25th January 2019 per annum, in terms of the National Pension Scheme Trust vide letter no. 1/20/2015/NPS dated January 25, 2019.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due. Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- Securities where the certificates, if any, are not traceable for a protracted period.



c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

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

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c Scheme C Tier I (the Scheme)** managed by **Aditya Birla Sun Life Pension Management Limited (PFM)** which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 and a summary of significant accounting policies and other explanatory information.

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

- a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2020;
- b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

Other Information



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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain



professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;
- d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and
- e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

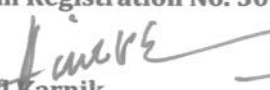
We further certify that:



- Investments have been valued in accordance with the guidelines issued by PFRDA
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

Ray

Ray & Ray
Chartered Accountants
Firm Registration No. 301072E

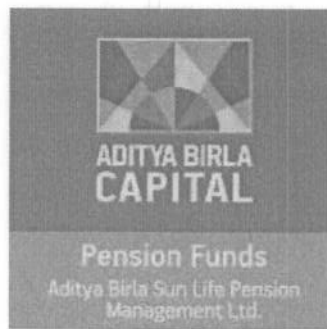

Anil Karnik
Partner

M. No. 31005
UDIN20031005AAAABM4012



Place: Mumbai

Date: 25 May 2020



**NPS TRUST A/C ADITYA BIRLA SUN LIFE PENSION
MANAGEMENT LIMITED**

SCHEME C TIER I

**Financial Statements together with Auditors' Report
For the Financial year ended March 31, 2020**

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

AUDITED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Schedule	Scheme C Tier I	
		31st Mar 2020	31st Mar 2019
Income			
Interest		21,872,697	12,420,111
other income		-	53
Profit on sale/redemption of investments		405,222	318,524
Unrealised gain on appreciation in investments		8,795,771	4,435,573
Total Income (A)		31,073,690	17,174,260
Expenses & Losses			
Loss on sale of investments		421,220	72,916
Unrealised loss on appreciation in investments		-	1,437,856
Management fees (including service tax)		32,728	17,814
NPS Trust fees		9,753	5,578
Custodian fees		9,529	5,366
Brokerage		-	-
CBRICS charges		822	1,210
CRA fees		302,214	217,255
Less : Amount recoverable on sale of units on account of CRA Charges		-302,214	-217,255
Depository and settlement charges		2,458	672
Total Expenditure (B)		476,510	1,541,411
Surplus/(Deficit) for the year (A-B = C)		30,597,180	15,632,850
Less: Amount transferred to Unrealised appreciation account		8,795,771	2,997,717
Less: Amount transferred to General Reserve		21,801,408	12,635,133
Amount carried forward to Balance Sheet		-	-



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

AUDITED BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Schedule	Scheme C Tier I	
		31st Mar 2020	31st Mar 2019
Liabilities			
Unit Capital	1	264,840,288	208,718,056
Reserve & Surplus	2	84,326,123	37,530,530
Current Liabilities	3	849,875	292,780
Total		350,016,286	246,541,366
Assets			
Investment	4	336,637,643	232,833,707
Deposits	5	-	-
Other Current Assets	6	13,378,643	13,707,659
Total		350,016,286	246,541,366
(a) Net asset as per Balance Sheet (Schedule 4+5+6-3)		349,166,411	246,248,586
(b) Number of units outstanding		26,484,029	20,871,806

The notes referred to above form an integral part of the financial Statements.



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 1: Unit capital

Particulars	Schedule	Scheme C Tier I	
		31st Mar 2020	31st Mar 2019
Initial capital			
Unit Capital			
Outstanding at the beginning of the period		208,718,056	61,944,087
Add :Units issued during the period		128,928,560	264,387,669
Less: Units redeemed during the period		72,806,328	117,613,700
Outstanding at the end of the period		264,840,288	208,718,056
(Face Value of Rs.10/- each unit, fully paid up)		10.00	10.00
Outstanding units at the beginning of the period		20,871,806	6,194,409
Add :Units issued during the period		12,892,856	26,438,767
Less: Units redeemed during the period		7,280,633	11,761,370
Outstanding Units at the end of the period		26,484,029	20,871,806

Schedule 2: Reserves and surplus

Particulars	Schedule	Scheme C Tier I	
		31st Mar 2020	31st Mar 2019
Unit premium reserve			
Opening balance		20,712,780	4,498,715
Add: Premium on Units issued		32,848,973	29,188,347
Less: Premium on Units redeemed		16,650,561	12,974,282
Closing balance		36,911,193	20,712,780
General Reserve			
Opening balance		13,776,373	1,141,240
Add/(Less): Transfer from/(to) Revenue Account		21,801,408	12,635,133
Closing balance		35,577,781	13,776,373
Unrealised Appreciation Reserve			
Opening balance		3,041,377	43,660
Add/(Less): Transfer from/(to) Revenue Account		8,795,771	2,997,717
Closing balance		11,837,148	3,041,377
Total		84,326,123	37,530,530



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 3: Current liabilities and provisions

Particulars	Schedule	Scheme C Tier I	
		31st Mar 2020	31st Mar 2019
Current liabilities & Provisions			
Sundry creditors for expenses			
Redemption Payable		833,709	283,316
TDS Payable			
Contracts for purchase of investments		-	-
NPS charges payable		1,426	639
NSDL & SEBI Payable		2,222	655
Management fees payable		9,499	6,158
CBRIS charges payable		560	180
Custody charges payable		2,459	1,831
Amount payable to other schemes			
Provisions*			
Total		849,875	292,780

* The Provision referred above is towards TDS payable on Custodian fees.

Schedule 4: Investments (Long Term and Short Term)

Particulars	Schedule	Scheme C Tier I	
		31st Mar 2020	31st Mar 2019
NCDs		327,701,762	227,932,782
Others - Mutual Fund Units		8,935,881	4,900,925
Total		336,637,643	232,833,707

Schedule 5: Deposits

Particulars	Schedule	Scheme C Tier I	
		31st Mar 2020	31st Mar 2019
Deposits with scheduled banks		-	-
Total		-	-

Schedule 6: Other current assets

Particulars	Schedule	Scheme C Tier I	
		31st Mar 2020	31st Mar 2019
Balances with banks in current account		876,036	4,394,938
Contracts for sale of investments		-	-
Interest accrue and due			
Interest accrue but not due		12,502,606	9,312,721
Sundry Debtors - Margin Money for Investments			
Total		13,378,643	13,707,659

Schedule 7: Realised Gain on Sale/redemption of investment

Particulars	Schedule	Scheme C Tier I	
		31st Mar 2020	31st Mar 2019
REALISED GAIN ON SALE /REDEMPTION OF INVESTMENT			
Profit on Sale of Corporate Bond		106,688	-
Profit on sale of Mutual fund scheme Units		298,534	318,524
Total		405,222	318,524



NAME OF PENSION FUND
SCHEME NAME
MONTH

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED
C-TIER I
Mar-20

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio	Rating
8.90% SBI Tier II 2 Nov 2028 Call 2 Nov 2023	INE062A08165	Monetary intermediation of commercial b	16	16975744	4.86%	CRISIL AAA
8.85 % AXIS BANK 05.12.2024	INE238A08351	Monetary intermediation of commercial b	6	6440940	1.84%	ICRA/AAA
9.38% EXIM 29 Sep 2021	INE514E08AG6	Other monetary intermediation services n	1	1047611	0.30%	ICRA/AAA
9.50% EXIM 3 Dec 2023	INE514E08DG0	Other monetary intermediation services n	5	5539800	1.59%	ICRA/AAA
8.15 % EXIM 05.03.2025	INE514E08EL8	Other monetary intermediation services n	5	5365605	1.54%	CRISIL AAA
9.08% Chelamandalam Investment & Finance co. Ltd 23.11.2023	INE121A080A2	Other financial service activities, except in	1	1021044	0.29%	ICRA/AAA
8.80% Chola Investment & Finance 28 Jun 27	INE121A080E4	Other financial service activities, except in	5	5048945	1.45%	ICRA/AAA
8.15% Bajaj Finance Ltd MD 22/06/2027	INE296A08847	Other financial service activities, except in	2	1994640	0.57%	CRISIL AAA
11.40 % FULLERTON INDIA CREDIT CO LTD	INE535H08553	Other credit granting	8	8427928	2.41%	ICRA/AAA
9.30% Fullerton India Credit 25 Apr 2023	INE535H08660	Other credit granting	1	1009858	0.29%	IND AA+
8.45% SUNDARAM FINANCE 19.01.2028	INE660A088X8	Financial leasing	5	5047615	1.45%	ICRA/AAA
8.45 % SUNDARAM FINANCE 21.02.2028	INE660A08BY6	Financial leasing	7	7068691	2.02%	ICRA/AAA
9% Mahindra Financial Services LTD NCD (series B) MD 06/06/26	INE774D08MA6	Other financial service activities, except in	600	618505.2	0.18%	CARE AAA
8% Mahindra Financial Services LTD NCD MD 24/07/2027	INE774D08MK5	Other financial service activities, except in	1,300	1277684.2	0.37%	IND AAA
8.41% HUDCO GOI 15 Mar 2029	INE031A08699	Activities of specialized institutions granti	4	4362896	1.25%	ICRA/AAA
8.37% HUDCO GOI 23 Mar 2029	INE031A08707	Activities of specialized institutions granti	20	21765860	6.23%	ICRA/AAA
9.30% L&T INFRA DEBT FUND 5 July 2024	INE235P07894	Other financial service activities, except in	9	9147528	2.62%	ICRA/AAA
8.20% NABARD 09.03.2028	INE261F08AD8	Other monetary intermediation services n	5	5345905	1.53%	CRISIL AAA
8.60% NABARD 31 Jan 2022	INE261F08AJ7	Other monetary intermediation services n	5	5195960	1.49%	CRISIL AAA
8.22% NABARD 13 Dec 2028	INE261F08AV0	Other monetary intermediation services n	2	2150468	0.62%	CRISIL AAA
8.54% NABARD 30 Jan 2034	INE261F08AZ1	Other monetary intermediation services n	6	6604644	1.89%	CRISIL AAA
7.83% NABARD 17 Oct 2034	INE261F08BP0	Other monetary intermediation services n	6	6248028	1.79%	CRISIL AAA
9.25 % INDIA INFRADEBT 19.06.2023	INE537P07430	Other monetary intermediation services n	5	5147215	1.47%	ICRA/AAA
9.25% PGC DEC 26	INE752E07JM3	Transmission of electric energy	8	11283750	3.23%	ICRA/AAA
7.93% PGC 20.05.2026	INE752E07KX8	Transmission of electric energy	1	1054873	0.30%	ICRA/AAA
7.93% POWER GRID CORP MD 20.05.2027	INE752E07KY6	Transmission of electric energy	2	2112454	0.60%	ICRA/AAA
7.93% POWER GRID CORPORATION MD 20.05.2028	INE752E07KZ3	Transmission of electric energy	1	1051539	0.30%	ICRA/AAA
7.36% PGC 17Oct 2026	INE752E07OC4	Transmission of electric energy	7	7197491	2.06%	ICRA/AAA
9.41% India Infrastructure Finance Co Ltd 27 Jul 2037	INE787H07057	Other monetary intermediation services n	10	11169690	3.20%	CRISIL AAA
8.96% HDFC Ltd 8 Apr 2025	INE001A07FG3	Activities of specialized institutions granti	2	2130244	0.61%	ICRA/AAA
9.24% HDFC Ltd 24 June 2024	INE001A07MS4	Activities of specialized institutions granti	6	6396354	1.83%	ICRA/AAA
8.43% HDFC Ltd 4 Mar 2025	INE001A07NP8	Activities of specialized institutions granti	12	6256116	1.79%	ICRA/AAA
8.05% HDFC Ltd 22 Oct 2029	INE001A07S87	Activities of specialized institutions granti	13	13546572	3.88%	ICRA/AAA
9.00% LIC Housing 9 Apr 2023	INE115A07DS1	Activities of specialized institutions granti	6	6224094	1.78%	CRISIL AAA
8.89% LIC Housing 25 Apr 2023	INE115A07DT9	Activities of specialized institutions granti	5	5196905	1.49%	CRISIL AAA
7.86% LIC housing Finance MD 17/05/2027	INE115A07LU0	Activities of specialized institutions granti	11	11013904	3.15%	CRISIL AAA
8.70% LIC HOUSING FINANCE LTD 23 Mar 2029	INE115A07OB4	Activities of specialized institutions granti	4	4218312	1.21%	CRISIL AAA
Indiabull Housing Finance (series VI A) NCD 8.85% 26/09/2026	INE148I07GK5	Activities of specialized institutions granti	1,000	499350	0.14%	CARE AA
9.10% PNBHFL MD 21/12/2022	INE572E09197	Activities of specialized institutions granti	1	955765	0.27%	CRISIL AA
7.27% IRFC 15.06.2027	INE053F07AB5	Other credit granting	4	4022384	1.15%	ICRA/AAA
8.55% IRFC 21 Feb 2029	INE053F07BA5	Other credit granting	8	8683232	2.49%	ICRA/AAA
7.54% IRFC 29 Jul 2034	INE053F07BT5	Other credit granting	6	6126288	1.75%	ICRA/AAA
9.47% IRFC 10 May 2031	INE053F09HQ4	Other credit granting	6	7044150	2.02%	ICRA/AAA
9.05% Reliance Industries 17 Oct 2028	INE002A08534	Manufacture of other petroleum n.e.c. (in	7	7624610	2.18%	ICRA/AAA
8.95% Reliance Industries 9 Nov 2028	INE002A08542	Manufacture of other petroleum n.e.c. (in	5	5424455	1.55%	ICRA/AAA
9.35 % REC 15.06.2022	INE020B08740	Other credit granting	6	6283452	1.80%	CRISIL AAA
7.70% REC 12.12.2027	INE020B08AQ9	Other credit granting	5	5060955	1.45%	ICRA/AAA
8.70% PFC 14.05.2025	INE134E08CY2	Other credit granting	5	5305950	1.52%	ICRA/AAA
8.85% PFC 15.06.2030	INE134E08DB8	Other credit granting	1	1103854	0.32%	ICRA/AAA
7.10 % PFC 08.08.2022	INE134E08JD1	Other credit granting	5	5023645	1.44%	ICRA/AAA
7.85% PFC 03.04.2028	INE134E08JP5	Other credit granting	2	2063888	0.59%	ICRA/AAA
9.02% IREDA 24 Sep 2025	INE202E07062	Other credit granting	1	1098090	0.31%	CARE AAA (CE)
9.18% NPCIL 23.01.2026	INE206D08188	Electric power generation and transmissi	2	2219836	0.64%	CRISIL AAA
8.84% NTPC 4 Oct 2022	INE733E07J86	Electric power generation by coal based t	2	2129816	0.61%	ICRA/AAA
8.05% NTPC 5 May 2026	INE733E07KA6	Electric power generation by coal based t	2	2107886	0.60%	ICRA/AAA
8.78% NHPC 11 Feb 2028	INE848E07484	Electric power generation by hydroelectri	40	4393164	1.26%	ICRA/AAA
7.27 % NHAI 06.06.2022	INE906B07FT4	Construction and maintenance of motorw	5	5111515	1.46%	ICRA/AAA
7.49% NHAI 1 Aug 2029	INE906B07HG7	Construction and maintenance of motorw	2	2039986	0.58%	CRISIL AAA
7.70% NHAI 13 Sep 2029	INE906B07HH5	Construction and maintenance of motorw	21	21674079	6.21%	CRISIL AAA
Total				327,701,762	93.85%	

Money Market Instruments:-	Market Value	% of Portfolio	Rating
- Treasury Bills	Nil	-	
- Money Market Mutual Funds	8,935,881	2.56%	
- Certificate of Deposits / Commercial Papers	Nil	-	
- Application Pending Allotment	Nil	-	
- Bank Fixed Deposits (c 1 Year)	Nil	-	
- Cash/ Cash Equivalent & Net Current Assets	876,036	0.25%	
- Other Current Assets (Accrued Interest)	12,503,283	3.58%	
Net Current assets	(850,554)	-0.24%	
GRAND TOTAL	349,166,410	100.00%	

Average Maturity of Portfolio (in yrs)	7.54
Modified Duration (in yrs)	4.96
Yield to Maturity (%) (annualised) [at market price]	7.40%

CREDIT RATING EXPOSURE	Market Value	% of Portfolio	Rating
Securities			
Central Govt. Securities			
State Development Loans			
AAA / Equivalent	310,738,872	88.99%	
A1+ (For Commercial Paper)			
AA+ / Equivalent	15,507,775	4.44%	
AA / Equivalent	1,455,115	0.42%	
AA- / Equivalent			
A+ / Equivalent			
A / Equivalent			
A- / Equivalent			
BBB+ / Equivalent			
BBB / Equivalent			



S. No.	Particulars	As at March 31, 2020	As at March 31, 2019	Remarks/Formula/Method of Cal.
1	NAV Per Unit (Rs.)*			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	11.8007	10.9175	Closing NAV as on 1st April of the Current F Y
	High	13.2166	11.7981	Highest NAV during the F Y
	Low	11.6895	10.6852	Lowest NAV during the F Y
	End	13.1840	11.7981	Closing NAV as on 31st March of the Current F Y
2	Closing Assets Under Management (Rs. In Lakhs)			
	End	3,492	2,462	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	277,555,025	151,410,633	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	Gross income as % of AAUM	11.20%	11.34%	Gross Income = Total Income as per Revenue Account
4	Expense Ratio			
a	Total Expense as % of AAUM (Scheme wise)	0.17%	1.02%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.01%	0.01%	IM fees (Including applicable Taxes) as per Revenue Account
5	Net Income as a percentage of AAUM	11.02%	10.32%	Net Income = Surplus / Deficit as per Revenue Account
6	Portfolio turnover ratio	0.03	0.02	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	Returns (%)* Compounded Annualised Yield			
	Last 1 Year	11.75%	8.07%	CAGR = ((1+ cumulative return) ⁿ) ^{1/n} -1 (where n=365/no. of days)
	Last 3 Years	NA	NA	
	Last 5 Years	NA	NA	
	Since Launch of the scheme (09.05.2017)	10.02%	9.13%	
* Declared NAV; Returns calculated based on declared NAV				



NPS TRUST A/C
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I
NOTE 8 Notes to Accounts

8.1 Investments

8.2 All investments of the scheme are in the name of the NPS trust .

8.3 At the end of the financial year , there are no open positions of derivatives in the scheme

The Schemes investments made in associates and Group companies as on Mar 31, 2020

Security particulars	no of shares/bonds	3/31/2020		no of shares/bonds	3/31/2019	
		Cost	Market Value (Cr)		Cost	Market Value (Cr)
		0	0		0	0

8.4 As on the date of Balance sheet , the scheme does not have any investments which can be categorized as NPA

Security particulars	Value of security	3/31/2020		3/31/2019	
		Cost	Market Value (Cr)	Cost	Market Value (Cr)
NIL		0	0	0	0

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2020		As on 31.03.2020		As on 31.03.2019		As on 31.03.2019	
	Rs in Crs	% to AAUM	Cost	Market Value (Cr)	Rs in Crs	% to AAUM	Cost	Market Value (Cr)
Unrealised Gain	0.88	3.17%	32.48	33.66	0.444	2.93%	18.27	18.71
Unrealised Loss					0.14	0.95%	4.43	4.57
Net Unrealised Gain/Loss	0.88	3.17%	32.48	33.66	0.30	3.88%	22.70	23.28

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	C-Tier I	C-Tier I
	31.03.2020	31.03.2019
Average Net Asset Value	277,555,025	151,410,633
Purchase of Investment	850,654,302	1,036,398,853
% to average Net Asset Value	3.06%	6.84%
Sale of Investment	753,858,390	842,185,744
% to average Net Asset Value	2.72%	5.56%

8.7 Following are the transaction with Associates & Group companies under the scheme

Name of related party	Nature of relationship	FY 2019-20(Amt in Rs)	FY 2018-19(Amt in Rs)
Aditya Birla Sun Life Pension Management Ltd	Management fees paid	23228.94	11655.72

The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2020

Particular	C-Tier I	C-Tier I
	31.03.2020	31.03.2019
Investment management fees	32728.22	17813.77

Balance with Aditya Birla Sun life Pension management Ltd

Particular	C-Tier I	C-Tier I
	31.03.2020	31.03.2019
Investment Management Fees payable	9499.28	6158.05



8.8 Unit Capital

Units are created and redeemed based on the intimation provided by Central Record keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve
Based on confirmation from CRA the number of units as at the year end are 26484029

8.9 Unit NAV

Particular	As on 31.03.2020	As on 31.03.2019
NAV per unit (Rs)	13.1840	11.7981

9 Details of sectoral classification of investment has been appended as part of notes to accounts.

9.1 The scheme has no contingent liability as at the end financial year.

As per our report of even date

For Ray & Ray

Chartered Accountants

Firm Reg. No. 301072E

Anil Karnik

Partner

Membership No. 31805

Place : Mumbai

Date :

For and on behalf of NPS Trust

Sh. Atanu Sen

(Chairman, NPS Board)

For Aditya Birla Sun Life Pension Management Company Limited

Sashi Krishnan

(CEO)

Kamlesh Rao

(Director)

Munish Malik



NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME C TIER I

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.



NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.



As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

PFRDA in exercise of its powers under sub-clause (b) of sub-section (2) of Sec 14 of the PFRDA Act, 2013, read with Regulation 15 and Regulation 43 of the PFRDA (Pension Fund) Regulations, 2015 issues these guidelines which shall be called as Valuation Policy guidelines, 2019. These guidelines shall supersede earlier guidelines/instructions issued in the matter with effect from 1st January 2020 and shall be followed henceforth.

Valuation Policy followed till 31st December 2019 was as follows:

a. Debt Securities other than Government Securities

- Debt securities other than Government securities with a residual maturity over 60 days are valued at weighted average traded price on that day. When such securities are not traded on a particular day, they are valued on a yield to maturity basis, by using spreads over risk free benchmark yield obtained from agencies entrusted for the said purpose, by association of mutual fund in India (AMFI) to arrive at the yield for pricing the security.
- Debt securities other than Government securities with a residual maturity up to 60 days are valued at weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument. In case of floating rate securities with floors and caps on coupon rate and residual maturity of up to 60 days, then those shall be valued on amortisation basis, taking the coupon rate as floor.

b. Valuation of securities having call and/or Put options:

- Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.
- For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.

c. Valuation of Partly Paid up Bonds

Partly paid bonds will be valued on the paid-up value of the bonds till it is fully paid.



d. Valuation of debt securities below Investment grade of BBB-

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)

e. Valuation of Money Market Investment and Mutual Fund

Money market instruments like treasury bills, commercial paper, and certificate of deposit are valued at amortised cost. If they are traded, then they are valued at the last traded price on NSE.

Mutual fund units are valued based on the net asset value of the preceding day of the valuation date

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Analytics Limited (formerly known as ICRA Online Limited) and provided to ABSLPML on daily basis.

Valuation Policy followed from 1st January 2020 onwards is as follows:

S.No	Type of Security/Instrument	Valuation methodology
1)	All Instruments/ Securities with residual maturity of more than 30 days	Traded Securities: The traded price shall be taken subject to the fulfillment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs. Non-Traded Securities: The securities shall be valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs. Purchase of new securities: In case of new security purchased for which price is not available, such security



		shall be valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
2)	Investment in “Additional Tier 1 (Basel III Compliant) Perpetual Bonds” [AT1 Bonds], ABS, MBS	The Investment in AT1 Bonds, ABS and MBS shall be valued at scrip level prices as above.
3)	All Instruments/ Securities with residual maturity of up to 30 days	The securities will be valued by amortization on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently $\pm 0.025\%$, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency

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

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

- All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines shall be valued at a discount of 25% of the face value.
- All non-investment grade debt securities (other than Government securities) not covered above **shall be valued at the indicative haircut matrix or price** provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price shall be considered

Valuation of Mutual Fund Units

- Mutual Fund Units Valued at latest NAV available on AMFI website. Presently, previous day's Scheme NAVs are being considered as Fund houses declare NAV at 9:00 pm and PFs declare it at 8:00 pm.

7.4 Income Recognition

- Interest income on all interest-bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date up to the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale credited to Interest Recoverable Account and not included in sale value.



- Accretion of discount and amortisation of premium relating to debt securities like Zero Coupon Bond and Money Market Investment are recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of debt securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company charges investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes) according to Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company charges 0.005% per annum Trustee fees with effect from 1st August 2019 vide letter no 1/20/2015/NPST/11442 dated 26th Jul 2019. Prior to that Trustee Fees was charged at "Nil" w.e.f 25th January 2019 per annum, in terms of the National Pension Scheme Trust vide letter no. 1/20/2015/NPS dated January 25, 2019.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.



7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non-performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non-Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

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

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c Scheme C Tier II (the Scheme)** managed by **Aditya Birla Sun Life Pension Management Limited (PFM)** which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 and a summary of significant accounting policies and other explanatory information.

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

- a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2020;
- b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

Other Information



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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain



professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;
- d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and
- e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:



- Investments have been valued in accordance with the guidelines issued by PFRDA
b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

Ray

Ray & Ray
Chartered Accountants
Firm Registration No. 301072E


Anil Karnik
Partner

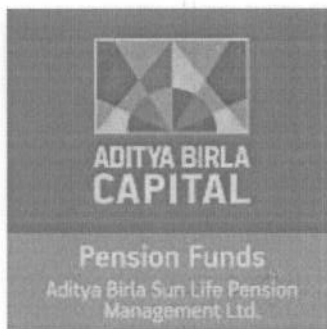
M. No. 31005

UDIN: 20031005AAAABN3450



Place: Mumbai

Date: 25 May 2020



**NPS TRUST A/C ADITYA BIRLA SUN LIFE PENSION
MANAGEMENT LIMITED**

SCHEME C TIER II

**Financial Statements together with Auditors' Report
For the Financial year ended March 31, 2020**

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

AUDITED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Schedule	Scheme C Tier II	
		31st Mar 2020	31st Mar 2019
Income			
Interest		2,733,572	1,498,400
other income		-	7
Profit on sale/redemption of investments		368,825	82,223
Unrealised gain on appreciation in investments		878,941	444,431
Total Income (A)		3,981,338	2,025,062
Expenses & Losses			
Loss on sale of investments		217,600	11,619
Unrealised loss on appreciation in investments		4,523	192,464
Management fees (including service tax)		4,364	2,244
NPS Trust fees		1,307	721
Custodian fees		1,236	658
Brokerage		-	-
CBRICS charges		472	531
CRA fees		35,329	8,096
Less : Amount recoverable on sale of units on account of CRA Charges		-35,329	-8,096
Depository and settlement charges		303	102
Total Expenditure (B)		229,806	208,340
Surplus/(Deficit) for the year (A-B = C)		3,751,532	1,816,723
Less: Amount transferred to Unrealised appreciation account		874,418	251,967
Less: Amount transferred to General Reserve		2,877,114	1,564,755
Amount carried forward to Balance Sheet		-	0



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

AUDITED BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Schedule	Scheme C Tier II	
		31st Mar 2020	31st Mar 2019
Liabilities			
Unit Capital	1	30,317,304	26,227,719
Reserve & Surplus	2	8,338,544	3,830,421
Current Liabilities	3	157,221	328,660
Total		38,813,070	30,386,800
Assets			
Investment	4	37,278,272	27,106,220
Deposits	5	-	-
Other Current Assets	6	1,534,798	3,280,580
Total		38,813,070	30,386,800
(a) Net asset as per Balance Sheet (Schedule 4+5+6-3)		38,655,849	30,058,140
(b) Number of units outstanding		3,031,730	2,622,772

The notes referred to above form an integral part of the financial Statements.



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 1: Unit capital

Particulars	Schedule	Scheme C Tier II	
		31st Mar 2020	31st Mar 2019
Initial capital			
Unit Capital			
Outstanding at the beginning of the period		26,227,719	8,598,646
Add :Units issued during the period		69,881,907	68,033,107
Less: Units redeemed during the period		65,792,322	50,404,034
Outstanding at the end of the period		30,317,304	26,227,719
(Face Value of Rs.10/- each unit, fully paid up)		10.00	10.00
Outstanding units at the beginning of the period		2,622,772	859,865
Add :Units issued during the period		6,988,191	6,803,311
Less: Units redeemed during the period		6,579,232	5,040,403
Outstanding Units at the end of the period		3,031,730	2,622,772

Schedule 2: Reserves and surplus

Particulars	Schedule	Scheme C Tier II	
		31st Mar 2020	31st Mar 2019
Unit premium reserve			
Opening balance		1,810,126	353,086
Add: Premium on Units issued		15,261,730	5,971,775
Less: Premium on Units redeemed		14,505,139	4,514,735
Closing balance		2,566,717	1,810,126
General Reserve			
Opening balance		1,805,305	240,550
Add/(Less): Transfer from/(to) Revenue Account		2,877,114	1,564,755
Closing balance		4,682,419	1,805,305
Unrealised Appreciation Reserve			
Opening balance		214,990	-36,977
Add/(Less): Transfer from/(to) Revenue Account		874,418	251,967
Closing balance		1,089,408	214,990
Total		8,338,544	3,830,421



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 3: Current liabilities and provisions

Particulars	Schedule	Scheme C Tier II	
		31st Mar 2020	31st Mar 2019
Current liabilities & Provisions			
Sundry creditors for expenses			
Redemption Payable		155,171	327,480
TDS Payable			
Contracts for purchase of investments		-	-
NPS charges payable		165	71
NSDL & SEBI Payable		260	75
Management fees payable		1,217	722
CBRIS charges payable		325	118
Custody charges payable		85	194
Amount payable to other schemes			
Provisions*			
Total		157,221	328,660

* The Provision referred above is towards TDS payable on Custodian fees.

Schedule 4: Investments (Long Term and Short Term)

Particulars	Schedule	Scheme C Tier II	
		31st Mar 2020	31st Mar 2019
NCDs		34,883,056	26,210,136
Others - Mutual Fund Units		2,395,216	896,084
Total		37,278,272	27,106,220

Schedule 5: Deposits

Particulars	Schedule	Scheme C Tier II	
		31st Mar 2020	31st Mar 2019
Deposits with scheduled banks		-	-
Total		-	-

Schedule 6: Other current assets

Particulars	Schedule	Scheme C Tier II	
		31st Mar 2020	31st Mar 2019
Balances with banks in current account		160,334	2,185,263
Contracts for sale of investments		-	-
Interest accrue and due			
Interest accrue but not due		1,374,464	1,095,317
Sundry Debtors - Margin Money for Investments			
Total		1,534,798	3,280,580

Schedule 7: Realised Gain on Sale/redemption of investment

Particulars	Schedule	Scheme C Tier II	
		31st Mar 2020	31st Mar 2019
REALISED GAIN ON SALE /REDEMPTION OF INVESTMENT			
Profit on Sale of Corporate Bond		212,019	
Profit on sale of Mutual fund scheme Units		156,806	82,223
Total		368,825	82,223



NAME OF PENSION FUND
SCHEME NAME
MONTH

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED
C-TIER II
Mar-20

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio	Ratings
8.90% SBI Tier II 2 Nov 2028 Call 2 Nov 2023	INE062A08165	Monetary intermediation of commercial banks, sa	1.00	1,060,984.00	2.74%	CRISIL AAA
9.25 % EXIM 18.04.2022	INE514E08AV5	Other monetary intermediation services n.e.c.	1.00	1,059,004.00	2.74%	[ICRA]AAA
8.83% EXIM 03-NOV-2029	INE514E08EE3	Other monetary intermediation services n.e.c.	1.00	1,121,861.00	2.90%	[ICRA]AAA
8.15 % EXIM 05.03.2025	INE514E08EL8	Other monetary intermediation services n.e.c.	1.00	1,073,121.00	2.78%	CRISIL AAA
9.08% Cholamandalam Investment & Finance co. Ltd 23.11.2023	INE121A080A2	Other financial service activities, except insurance	1.00	1,021,044.00	2.64%	[ICRA]AAA+
9.80% L&T Finance 21 Dec 2022	INE523E08NH8	Other financial service activities, except insurance	1.00	1,022,702.00	2.65%	[ICRA]AAA
9.30% Fullerton India Credit 25 Apr 2023	INE535H08660	Other credit granting	1.00	1,009,858.00	2.61%	IND AA+
8%Mahindra Financial Services LTD NCD MD 24/07/2027	INE774D08MK5	Other financial service activities, except insurance	900.00	884,550.60	2.29%	IND AAA
8.52% HUDCO GOI 28 Nov 2028	INE031A08624	Activities of specialized institutions granting credit	1.00	1,093,532.00	2.83%	[ICRA]AAA
9.30% L&T INFRA DEBT FUND 5 July 2024	INE235P07894	Other financial service activities, except insurance	1.00	1,016,392.00	2.63%	[ICRA]AAA
8.20% NABARD 09.03.2028	INE261F08AD8	Other monetary intermediation services n.e.c.	1.00	1,069,181.00	2.77%	CRISIL AAA
8.47% NABARD GOI 31 Aug 2033	INE261F08AO5	Other monetary intermediation services n.e.c.	1.00	1,116,821.00	2.89%	CRISIL AAA
8.22% Nabard 13 Dec 2028	INE261F08AV0	Other monetary intermediation services n.e.c.	1.00	1,075,234.00	2.78%	CRISIL AAA
7.93% PGC 20.05.2026	INE752E07KX8	Transmission of electric energy	1.00	1,054,873.00	2.73%	[ICRA]AAA
7.36% PGC 17Oct 2026	INE752E07OC4	Transmission of electric energy	2.00	2,056,426.00	5.32%	[ICRA]AAA
9.41% India Infrastructure Finance Co Ltd 27 Jul 2037	INE787H07057	Other monetary intermediation services n.e.c.	1.00	1,116,969.00	2.89%	CRISIL AAA
8.55% HDFC Ltd 27 Mar 2029	INE001A07RT1	Activities of specialized institutions granting credit	2.00	2,145,750.00	5.55%	[ICRA]AAA
8.05% HDFC Ltd 22 Oct 2029	INE001A07SB7	Activities of specialized institutions granting credit	1.00	1,042,044.00	2.70%	[ICRA]AAA
9.00% LIC Housing 9 Apr 2023	INE115A07DS1	Activities of specialized institutions granting credit	1.00	1,037,349.00	2.68%	CRISIL AAA
8.89% LIC Housing 25 Apr 2023	INE115A07DT9	Activities of specialized institutions granting credit	1.00	1,039,381.00	2.69%	CRISIL AAA
Indiabull Housing Finance (series VI A) NCD 8.85% 26/09/2026	INE148I07GK5	Activities of specialized institutions granting credit	400.00	199,740.00	0.52%	CARE AA
7.54% IRFC 29 Jul 2034	INE053F07BT5	Other credit granting	1.00	1,021,048.00	2.64%	[ICRA]AAA
8.68% IRFC 29 Nov 2021	INE053F09EK4	Other credit granting	1.00	1,044,503.00	2.70%	[ICRA]AAA
8.80% IRFC BOND 03/02/2030	INE053F09GR4	Other credit granting	1.00	1,120,168.00	2.90%	[ICRA]AAA
9.05% Reliance Industries 17 Oct 2028	INE002A08534	Manufacture of other petroleum n.e.c. (includes n	2.00	2,178,460.00	5.64%	[ICRA]AAA
7.70% REC 12.12.2027	INE020B08AQ9	Other credit granting	1.00	1,012,191.00	2.62%	[ICRA]AAA
7.85% PFC 03.04.2028	INE134E08JP5	Other credit granting	1.00	1,031,944.00	2.67%	[ICRA]AAA
8.84% NTPC 4 Oct 2022	INE733E07JB6	Electric power generation by coal based thermal p	1.00	1,064,908.00	2.75%	[ICRA]AAA
8.05% NTPC 5 May 2026	INE733E07KA6	Electric power generation by coal based thermal p	1.00	1,053,943.00	2.73%	[ICRA]AAA
7.32% NTPC 17 Jul 2029	INE733E07KL3	Electric power generation by coal based thermal p	1.00	1,016,771.00	2.63%	[ICRA]AAA
7.27 % NHAI 06.06.2022	INE906B07FT4	Construction and maintenance of motorways, stre	1.00	1,022,303.00	2.64%	[ICRA]AAA
Total				34,883,055.60	90.24%	

Money Market Instruments:-	Market Value	% of Portfolio	Ratings
- Treasury Bills	Nil	-	
- Money Market Mutual Funds	2,395,216.40	6.20%	
- Certificate of Deposits / Commercial Papers	Nil		
- Application Pending Allotment	Nil		
- Bank Fixed Deposits (< 1 Year)	Nil		
- Cash/ Cash Equivalent & Net Current Assets	160,334.09	0.41%	
- Other Current Assets (Accrued Interest)	1,374,609.49	3.56%	
Net Current Assets	(157,366.65)	-0.41%	
GRAND TOTAL	38,655,848.93	100.00%	

Average Maturity of Portfolio (in yrs)	7.14
Modified Duration (in yrs)	4.79
Yield to Maturity (%) (annualised)(at market price)	7.38%

CREDIT RATING EXPOSURE	Market Value	% of Portfolio	Ratings
Securities			
Central Govt. Securities			
State Development Loans			
AAA / Equivalent	32,652,413.60	84.47%	
A1+ / (For Commercial Paper)			
AA+ / Equivalent	2,030,902.00	5.25%	
AA / Equivalent	199,740.00	0.52%	
AA- / Equivalent			
A+ / Equivalent			
A / Equivalent			
A- / Equivalent			
BBB+ / Equivalent			
BBB / Equivalent			



S. No.	Particulars	As at March 31, 2020	As at March 31, 2019	Remarks/Formula/Method of Cal.
1	NAV Per Unit (Rs.)*			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	11.4628	10.6474	Closing NAV as on 1st April of the Current F Y
	High	12.7732	11.4604	Highest NAV during the F Y
	Low	11.3626	10.3910	Lowest NAV during the F Y
	End	12.7504	11.4604	Closing NAV as on 31st March of the Current F Y
2	Closing Assets Under Management (Rs. In Lakhs)			
	End	386.56	300.58	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	36,994,186	19,073,252	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	Gross Income as % of AAUM	10.76%	10.62%	Gross Income = Total Income as per Revenue Account
4	Expense Ratio			
a	Total Expense as % of AAUM (Scheme wise)	0.62%	1.09%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.01%	0.01%	IM fees (Including applicable Taxes) as per Revenue Account
5	Net Income as a percentage of AAUM	10.14%	9.52%	Net Income = Surplus / Deficit as per Revenue Account
6	Portfolio turnover ratio	0.21	0.02	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	Returns [%]* Compounded Annualised Yield			
	Last 1 Year	11.26%	7.64%	
	Last 3 Years	NA	NA	CAGR = $\left[\frac{(1 + \text{cumulative return})^n}{n} \right] - 1$
	Last 5 Years	NA	NA	(where n=365/no. of days)
	Since Launch of the scheme (09.05.2017)	8.75%	7.47%	

* Declared NAV; Returns calculated based on declared NAV



NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II
NOTE 8 Notes to Accounts

8.1 Investments

8.2 All investments of the scheme are in the name of the NPS trust .

8.3 At the end of the financial year , there are no open positions of derivatives in the scheme

The Schemes investments made in associates and Group companies as on Mar 31, 2020

Security particulars	no of shares/bonds	3/31/2020		no of shares/bonds	3/31/2019	
		Cost	Market Value (Cr)		Cost	Market Value (Cr)
		0	0		0	0

8.4 As on the date of Balance sheet , the scheme does not have any investments which can be categorized as NPA

Security particulars	Value of security	3/31/2020		3/31/2019	
		Cost	Market Value (Cr)	Cost	Market Value (Cr)
NIL		0	0	0	0

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2020		As on 31.03.2020		As on 31.03.2019		As on 31.03.2019	
	Rs in Crs	% to AAUM	Cost	Market Value (Cr)	Rs in Crs	% to AAUM	Cost	Market Value (Cr)
Unrealised Gain	0.09	2.38%	3.27	3.41	0.04	0.00%	2.00	2.04
Unrealised Loss	0.00	0.01%	0.35	0.32	0.02	1.01%	0.65	0.67
Net Unrealised Gain/Loss	0.09	2.39%	3.62	3.73	0.03	1.01%	2.65	2.71

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	C-Tier II 31.03.2020	C-Tier II 31.03.2019
Average Net Asset Value	36,994,186.00	19,073,252
Purchase of Investment	374,846,220	239,759,123
% to average Net Asset Value	10.13%	12.57%
Sale of Investment	365,690,985	220,105,571
% to average Net Asset Value	9.89%	11.54%

8.7 Following are the transaction with Associates & Group companies under the scheme

Name of related party	Nature of relationship	FY 2019-20(Amt in Rs)	FY 2018-19(Amt in Rs)
Aditya Birla Sun Life Pension Management Ltd	Management fees paid	3147.29	1522.14

The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2020

Particular	C-Tier II 31.03.2020	C-Tier II 31.03.2019
Investment management fees	4363.82	2244.44

Balance with Aditya Birla Sun life Pension management Ltd

Particular	C-Tier II 31.03.2020	C-Tier II 31.03.2019
Investment Management Fees payable	1216.53	722.3



8.8 Unit Capital

Units are created and redeemed based on the intimation provided by Central Record keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve
Based on confirmation from CRA the number of units as at the year end are 3031730

8.9 Unit NAV

Particular	As on 31.03.2020	As on 31.03.2019
NAV per unit (Rs)	12.7504	11.4604

9 Details of sectoral classification of investment has been appended as part of notes to accounts.

9.1 The scheme has no contingent liability as at the end financial year.

As per our report of even date

For Ray & Ray

Chartered Accountants

Firm Reg. No. 301072E

Anil Kamlik

Partner

Membership No. 31005

Place : Mumbai

Date :

For and on behalf of NPS Trust

Sh. Atanu Sen

(Chairman, NPS Board)

For Aditya Birla Sun Life Pension Management Company Limited

Sashi Krishnan
(CEO)

Kamlesh Reddy
(Director)

(Chief Executive officer)

Munish Malik



NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME C TIER II

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.



NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.



As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

PFRDA in exercise of its powers under sub-clause (b) of sub-section (2) of Sec 14 of the PFRDA Act, 2013, read with Regulation 15 and Regulation 43 of the PFRDA (Pension Fund) Regulations, 2015 issues these guidelines which shall be called as Valuation Policy guidelines, 2019. These guidelines shall supersede earlier guidelines/instructions issued in the matter with effect from 1st January 2020 and shall be followed henceforth.

Valuation Policy followed till 31st December 2019 was as follows:

a. Debt Securities other than Government Securities

- Debt securities other than Government securities with a residual maturity over 60 days are valued at weighted average traded price on that day. When such securities are not traded on a particular day, they are valued on a yield to maturity basis, by using spreads over risk free benchmark yield obtained from agencies entrusted for the said purpose, by association of mutual fund in India (AMFI) to arrive at the yield for pricing the security.
- Debt securities other than Government securities with a residual maturity up to 60 days are valued at weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument. In case of floating rate securities with floors and caps on coupon rate and residual maturity of up to 60 days, then those shall be valued on amortisation basis, taking the coupon rate as floor.

b. Valuation of securities having call and/or Put options:

- Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.
- For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.

c. Valuation of Partly Paid up Bonds

Partly paid bonds will be valued on the paid-up value of the bonds till it is fully paid.



d. Valuation of debt securities below Investment grade of BBB-

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)

e. Valuation of Money Market Investment and Mutual Fund

Money market instruments like treasury bills, commercial paper, and certificate of deposit are valued at amortised cost. If they are traded, then they are valued at the last traded price on NSE.

Mutual fund units are valued based on the net asset value of the preceding day of the valuation date

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Analytics Limited (formerly known as ICRA Online Limited) and provided to ABSLPML on daily basis.

Valuation Policy followed from 1st January 2020 onwards is as follows:

S.No	Type of Security/Instrument	Valuation methodology
1)	All Instruments/ Securities with residual maturity of more than 30 days	Traded Securities: The traded price shall be taken subject to the fulfillment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs. Non-Traded Securities: The securities shall be valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs. Purchase of new securities: In case of new security purchased for which price is not available, such security



		shall be valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
2)	Investment in "Additional Tier 1 (Basel III Compliant) Perpetual Bonds" [AT1 Bonds], ABS, MBS	The Investment in AT1 Bonds, ABS and MBS shall be valued at scrip level prices as above.
3)	All Instruments/ Securities with residual maturity of up to 30 days	The securities will be valued by amortization on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently $\pm 0.025\%$, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency

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

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

- All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines shall be valued at a discount of 25% of the face value.
- All non-investment grade debt securities (other than Government securities) not covered above **shall be valued at the indicative haircut matrix or price provided by the valuation agency.** In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price shall be considered

Valuation of Mutual Fund Units

- Mutual Fund Units Valued at latest NAV available on AMFI website. Presently, previous day's Scheme NAVs are being considered as Fund houses declare NAV at 9:00 pm and PFs declare it at 8:00 pm.

7.4 Income Recognition

- Interest income on all interest-bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date up to the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale credited to Interest Recoverable Account and not included in sale value.



- Accretion of discount and amortisation of premium relating to debt securities like Zero Coupon Bond and Money Market Investment are recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of debt securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company charges investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes) according to Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company charges 0.005% per annum Trustee fees with effect from 1st August 2019 vide letter no 1/20/2015/NPST/11442 dated 26th Jul 2019. Prior to that Trustee Fees was charged at "Nil" w.e.f 25th January 2019 per annum, in terms of the National Pension Scheme Trust vide letter no. 1/20/2015/NPS dated January 25, 2019.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

79 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.



7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non-performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non-Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

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

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c Scheme G Tier I (the Scheme)** managed by **Aditya Birla Sun Life Pension Management Limited (PFM)** which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 and a summary of significant accounting policies and other explanatory information.

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

- a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2020;
- b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

Other Information



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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain



professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;
- d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and
- e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:



- Investments have been valued in accordance with the guidelines issued by PFRDA
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

Ray

Ray & Ray
Chartered Accountants
Firm Registration No. 301072E


Amit Karnik
Partner

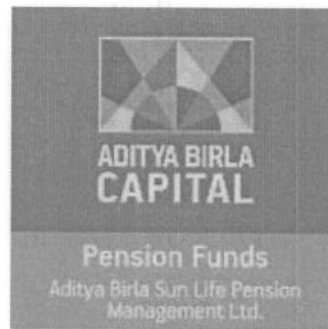
M. No. 31005

UDIN20031005AAAABO7900



Place: Mumbai

Date: 25 May 2020



**NPS TRUST A/C ADITYA BIRLA SUN LIFE PENSION
MANAGEMENT LIMITED**

SCHEME G TIER I

**Financial Statements together with Auditors' Report
For the Financial year ended March 31, 2020**

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

AUDITED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Schedule	Scheme G Tier I	
		31st Mar 2020	31st Mar 2019
Income			
Interest		25,313,717	11,805,208
other income		-	87
Profit on sale/redemption of investments		531,977	291,744
Unrealised gain on appreciation in investments		23,149,249	5,673,776
Total Income (A)		48,994,943	17,770,815
Expenses & Losses			
Unrealised loss on appreciation in investments			372,732
Management fees (including service tax)		42,182	18,512
NPS Trust fees		12,849	5,690
Custodian fees		12,205	5,757
Brokerage		-	-
Depository and settlement charges		2,606	2,170
CRA fees		434,177	278,363
Less : Amount recoverable on sale of units on account of CRA Charges		-434,177	-278,363
NSDL & SEBI charges		1,942	700
Total Expenditure (B)		71,785	405,561
Surplus/(Deficit) for the year (A-B = C)		48,923,158	17,365,254
Less: Amount transferred to Unrealised appreciation account		23,149,249	5,301,044
Less: Amount transferred to General Reserve		25,773,909	12,064,209
Amount carried forward to Balance Sheet		-	



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

AUDITED BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Schedule	Scheme G Tier I	
		31st Mar 2020	31st Mar 2019
Liabilities			
Unit Capital	1	370,369,429	247,495,931
Reserve & Surplus	2	114,131,496	34,136,105
Current Liabilities	3	545,369	254,027
Total		485,046,295	281,886,063
Assets			
Investment	4	474,754,177	270,419,282
Deposits	5	-	-
Other Current Assets	6	10,292,118	11,466,782
Total		485,046,295	281,886,063
(a) Net asset as per Balance Sheet (Schedule 4+5+6-3)		484,500,925	281,632,037
(b) Number of units outstanding		37,036,943	24,749,593

The notes referred to above form an integral part of the financial Statements.



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 1: Unit capital

Particulars	Schedule	Scheme G Tier I	
		31st Mar 2020	31st Mar 2019
Initial capital			
Unit Capital			
Outstanding at the beginning of the period		247,495,931	71,833,565
Add :Units issued during the period		181,099,747	295,519,462
Less: Units redeemed during the period		58,226,249	119,857,097
Outstanding at the end of the period		370,369,429	247,495,931
(Face Value of Rs.10/- each unit, fully paid up)		10.00	10.00
Outstanding units at the beginning of the period		24,749,593	7,183,357
Add :Units issued during the period		18,109,975	29,551,946
Less: Units redeemed during the period		5,822,625	11,985,710
Outstanding Units at the end of the period		37,036,943	24,749,593

Schedule 2: Reserves and surplus

Particulars	Schedule	Scheme G Tier I	
		31st Mar 2020	31st Mar 2019
Unit premium reserve			
Opening balance		15,787,204	2,056,046
Add: Premium on Units issued		43,567,042	21,975,368
Less: Premium on Units redeemed		12,494,809	8,244,209
Closing balance		46,859,437	15,787,204
General Reserve			
Opening balance		13,156,029	1,091,820
Add/(Less): Transfer from/(to) Revenue Account		25,773,909	12,064,209
Closing balance		38,929,938	13,156,029
Unrealised Appreciation Reserve			
Opening balance		5,192,872	-108,172
Add/(Less): Transfer from/(to) Revenue Account		23,149,249	5,301,044
Closing balance		28,342,121	5,192,872
Total		114,131,496	34,136,105



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 3: Current liabilities and provisions

Particulars	Schedule	Scheme G Tier I	
		31st Mar 2020	31st Mar 2019
Current liabilities & Provisions			
Sundry creditors for expenses			
Redemption Payable		524,252	243,109
TDS Payable			
Contracts for purchase of investments		-	-
NPS charges payable		1,982	666
NSDL & SEBI Payable		1,696	700
Management fees payable		12,926	6,655
Custody charges payable		2,858	2,051
CCIL Charges Payable		1,655	846
Amount payable to other schemes			
Provisions*			
Total		545,369	254,027

* The Provision referred above is towards TDS payable on Custodian fees.

Schedule 4: Investments (Long Term and Short Term)

Particulars	Schedule	Scheme G Tier I	
		31st Mar 2020	31st Mar 2019
Government Securities		389,071,941	208,464,727
State Government Securities		67,502,040	53,277,066
Others - Mutual Fund Units		18,180,196	8,677,489
Total		474,754,177	270,419,282

Schedule 5: Deposits

Particulars	Schedule	Scheme G Tier I	
		31st Mar 2020	31st Mar 2019
Deposits with scheduled banks		-	-
Total		-	-

Schedule 6: Other current assets

Particulars	Schedule	Scheme G Tier I	
		31st Mar 2020	31st Mar 2019
Balances with banks in current account		523,518	6,447,503
Contracts for sale of investments		-	-
Sundry debtors (margin money of Rs 23 lacs as on 31st mar 2020)		2,300,000	
Service tax asset		-	145
Interest Accrued But Not Due-SDL		1,172,426	1,051,350
Receivable for sales invst		-	435
Interest accrude but not due on G sec		6,296,174	3,967,348
Total		10,292,118	11,466,789

Schedule 7: Realised Gain on Sale/redemption of investment

Particulars	Schedule	Scheme G Tier I	
		31st Mar 2020	31st Mar 2019
REALISED GAIN ON SALE /REDEMPTION OF INVESTMENT			
Profit on slae of Government securities		122,904	
Profit on sale of Mutual fund scheme Units		409,073	291,744
Total		531,977	291,744



NAME OF PENSION FUND
SCHEME NAME
MONTH

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED
G-TIER I
Mar-20

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio
7.95% GOI 28-Aug-2032	IN0020020106	GOI	197,000	21,664,819	4.47%
6.30% GOI 09.04.2023	IN0020030014	GOI	34,400	3,527,073	0.73%
7.50% GOI 10-Aug-2034	IN0020040039	GOI	239,000	25,526,993	5.27%
7.40% GOI 09.09.2035	IN0020050012	GOI	460,600	48,839,905	10.08%
8.33% GS 7.06.2036	IN0020060045	GOI	157,000	17,948,507	3.70%
8.28% GOI 15.02.2032	IN0020060086	GOI	8,500	956,908	0.20%
8.26% Government of India 02.08.2027	IN0020070036	GOI	243,000	26,743,973	5.52%
8.32% GS 02.08.2032	IN0020070044	GOI	40,000	4,529,048	0.93%
8.28% GOI 21.09.2027	IN0020070069	GOI	144,000	15,819,509	3.27%
9.15% GOI 14.11.2024	IN0020110048	GOI	60,000	6,743,934	1.39%
8.83% GOI 12.12.2041	IN0020110063	GOI	95,000	11,779,193	2.43%
8.15% GSEC 24.11.2026	IN0020140060	GOI	108,000	11,752,150	2.43%
8.17% GS 2044 (01-DEC-2044).	IN0020140078	GOI	250,500	29,173,180	6.02%
7.68% GS 15.12.2023	IN0020150010	GOI	55,000	5,876,756	1.21%
7.88% GOI 19.03.2030	IN0020150028	GOI	46,000	5,004,795	1.03%
8.13% GOI 22 June 2045	IN0020150044	GOI	80,000	9,347,960	1.93%
7.73% GS MD 19/12/2034	IN0020150051	GOI	152,200	16,589,815	3.42%
7.59% GOI 20.03.2029	IN0020150069	GOI	103,000	10,988,061	2.27%
7.72% GOI 26.10.2055.	IN0020150077	GOI	63,000	7,157,147	1.48%
7.61% GSEC 09.05.2030	IN0020160019	GOI	154,000	16,455,886	3.40%
7.06 % GOI 10.10.2046	IN0020160068	GOI	244,700	25,312,184	5.22%
6.57% GOI 2033 (MD 05/12/2033)	IN0020160100	GOI	150,900	15,025,807	3.10%
6.79% GS 26.12.2029	IN0020160118	GOI	135,300	13,716,782	2.83%
6.79% GSEC (15/MAY/2027) 2027	IN0020170026	GOI	56,000	5,695,407	1.18%
7.62% GS 2039 (15-09-2039)	IN0020190024	GOI	128,300	14,089,919	2.91%
7.69% GOI 17.06.2043	IN0020190040	GOI	170,000	18,806,233	3.88%
8.39% ANDHRA PRADESH SDL 06.02.2031	IN1020180411	SDL	55,000	5,938,598	1.23%
8.00% Karnataka SDL 2028 (17-JAN-2028)	IN1920170157	SDL	20,000	2,091,366	0.43%
8.22 % KARNATAK 30.01.2031	IN1920180156	SDL	90,000	9,603,837	1.98%
8.13 % KERALA SDL 21.03.2028	IN2020170147	SDL	22,300	2,351,229	0.49%
8.33 % KERALA SDL 30.05.2028	IN2020180039	SDL	55,000	5,870,618	1.21%
7.33% MAHARASHTRA SDL 2027	IN2220170103	SDL	68,000	6,869,285	1.42%
8.08% Maharashtra SDL 2028	IN2220180052	SDL	90,000	9,505,215	1.96%
8.69% Tamil Nadu SDL 24.02.2026	IN3120150203	SDL	10,500	1,137,503	0.23%
SDL TAMIL NADU 8.05% 2028	IN3120180010	SDL	120,000	12,613,908	2.60%
8.08% Tamilnadu SDL 26.12.2028.	IN3120180200	SDL	45,000	4,752,608	0.98%
8.38% Telangana SDL 2049	IN4520180204	SDL	60,000.00	6,767,874	1.40%
Total				456,573,981	94.24%

Money Market Instruments:-	Market Value	% of Portfolio
- Treasury Bills	Nil	-
- Money Market Mutual Funds	18,180,196	3.75%
- Certificate of Deposits / Commercial Papers	Nil	-
- Application Pending Allotment	Nil	-
- Bank Fixed Deposits (< 1 Year)	Nil	-
- Cash/ Cash Equivalent & Net Current Assets	523,518	0.11%
- Other Current Assets (Accrued Interest)	7,468,617	1.54%
Net Current Assets	1,754,615	0.36%
GRAND TOTAL	484,500,926	100.00%

Average Maturity of Portfolio (in yrs)	14.73
Modified Duration (in yrs)	8.30
Yield to Maturity (%) (annualised)(at market price)	6.75%

CREDIT RATING EXPOSURE				
Securities			Market Value	% of Portfolio
Central Government Securities			389,071,941	80.30%
State Development loans			67,502,040	13.93%
AAA / Equivalent			-	-
A1+ (For Commercial Paper)			-	-
AA+ / Equivalent			-	-
AA / Equivalent			-	-
AA- / Equivalent			-	-
A+ / Equivalent			-	-
A / Equivalent			-	-
A- / Equivalent			-	-
BBB+ / Equivalent			-	-
BBB / Equivalent			-	-



NPS TRUST A/C
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019	Remarks/Formula/Method of Cal.
1	NAV Per Unit (Rs.)*			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open			Closing NAV as on 1st April of the Current F Y
	High	11.3815	10.4232	Highest NAV during the F Y
	Low	13.2502	11.3793	Lowest NAV during the F Y
	End	11.2959	10.1897	Closing NAV as on 31st March of the Current F Y
	End	13.0816	11.3793	
2	Closing Assets Under Management (Rs. in Lakhs)			
	End			
	Average (AAUM)	4,845	2,816	Closing AUM as on 31st March of the Current F Y
		357897552	157398597	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	Gross Income as % of AAUM	13.69%	11.29%	Gross Income = Total Income as per Revenue Account
4	Expense Ratio			
a	Total Expense as % of AAUM (Scheme wise)	0.02%	0.26%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.01%	0.01%	IM fees (Including applicable Taxes) as per Revenue Account
5	Net Income as a percentage of AAUM	13.67%	11.03%	Net Income = Surplus / Deficit as per Revenue Account
6	Portfolio turnover ratio	0%	0%	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	Returns [%]* Compounded Annualised Yield			
	Last 1 Year			
	Last 3 Years	14.96%	9.17%	
	Last 5 Years	NA	NA	CAGR = $\{(1 + \text{cumulative return})^{1/n} - 1\}$
	Since Launch of the scheme (09.05.2017)	NA	NA	(where n=365/no. of days)
		9.72%	7.06%	

* Declared NAV; Returns calculated based on declared NAV



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

NOTE 8 Notes to Accounts

8.1 Investments

8.2 All investments of the scheme are in the name of the NPS trust.

8.3 At the end of the financial year, there are no open positions of derivatives in the scheme

The Schemes investments made in associates and Group companies as on Mar 31, 2020

Security particulars	no of shares/bonds	3/31/2020		no of shares/bonds	3/31/2019	
		Cost	Market Value (Cr)		Cost	Market Value (Cr)
NIL		0	0		0	0

8.4 As on the date of Balance sheet, the scheme does not have any investments which can be categorized as NPA

Security particulars	Value of security	3/31/2020		3/31/2019	
		Cost	Market Value (Cr)	Cost	Market Value (Cr)
NIL		0	0	0	0

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2020		As on 31.03.2020		As on 31.03.2019		As on 31.03.2019	
	Rs in Crs	% to AAUM	Cost	Market Value (Cr)	Rs in Crs	% to AAUM	Cost	Market Value (Cr)
Unrealised Gain	2.31	6.47%	44.64	47.48	0.57	3.60%	24.47	25.03
Unrealised Loss	0.00	0.00%	0.00	0.00	0.04	0.24%	2.04	2.01
Net Unrealised Gain/Loss	2.31	6.47%	44.64	47.48	0.53	3.84%	26.51	27.04

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	G Tier I	G Tier I
	31.03.2020	31.03.2019
Average Net Asset Value	357,897,552.00	157,398,597
Purchase of Investment	1,307,286,218	1,011,130,528
% to average Net Asset Value	3.65%	6.42%
Sale of Investment	1,123,584,500	843,550,207
% to average Net Asset Value	3.14%	5.36%



8.7 Following are the transaction with Associates & Group companies under the scheme

Name of related party	Nature of relationship	FY 2019-20(Amt in Rs)	FY 2018-19(Amt in Rs)
Aditya Birla Sun Life Pension Management Ltd	Management fee	29256.07	11857.11

The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2020

Particular	G Tier I 31.03.2020	G Tier I 31.03.2019
Investment management fees	42,182.30	18511.77

Balance with Aditya Birla Sun life Pension management Ltd

Particular	G Tier I 31.03.2020	G Tier I 31.03.2019
Investment Management Fees payable	12926.23	6654.66

8.8 Unit Capital

Units are created and redeemed based on the intimation provided by Central Record keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve Based on confirmation from CRA the number of units as at the year end are 37036943

8.9 Unit NAV

Particular	As on 31.03.2020	As on 31.03.2019
NAV per unit (Rs)	13.0816	11.3793

8 Details of sectoral classification of investment has been appended as part of notes to accounts.

8.1 The scheme has no contingent liability as at the end financial year.



As per our report of even date

For Ray & Ray

Chartered Accountants

Firm Reg. No. 301072E

Anil Karnik
Partner

Membership No. 31905



For Aditya Birla Sun Life Pension Management Company Limited

Sashi Krishnan
(CEO)

Kamesh Rao
(Director)



Place : Mumbai

Date :

For and on behalf of NPS Trust

Sh. Atanu Sen

(Chairman, NPS Board)



(Chief Executive officer)

Munish Malik

NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME G TIER I

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt. Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt. Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.



NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

The financials have been prepared for SCHEME G TIER I being managed by the Company.

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the



Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

PFRDA in exercise of its powers under sub-clause (b) of sub-section (2) of Sec 14 of the PFRDA Act, 2013, read with Regulation 15 and Regulation 43 of the PFRDA (Pension Fund) Regulations, 2015 issues these guidelines which shall be called as Valuation Policy guidelines, 2019. These guidelines shall supersede earlier guidelines/instructions issued in the matter with effect from 1st January 2020 and shall be followed henceforth.

Valuation Policy followed till 31st December 2019 was as follows:

a. Securities traded at a stock exchange:

- Central Government, State Government, Treasury Bill securities are valued at the prices provided by valuation agency on the particular valuation day.
- Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Analytics Limited (formerly known as ICRA Online Limited) and provided to ABSLPML on daily basis.

Valuation Policy followed from 1st January 2020 onwards is as follows:

Type of Security	Valuation Methodology
Securities with residual maturity of more than 30 days	The security will be valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.
Securities with residual maturity of upto 30 days	The security will be valued through amortization on the same basis as debt securities maturing upto 30 days.



Valuation of Mutual Fund Units

Mutual Fund Units Valued at latest NAV available on AMFI website. Presently, previous day's Scheme NAVs are being considered as Fund houses declare NAV at 9:00 pm and PFs declare it at 8:00 pm.

7.4 Income Recognition

- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.
- Accretion of discount relating to Treasury bills is recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of Government securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company charges investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes) according to Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company charges 0.005% per annum Trustee fees with effect from 1st August 2019 vide letter no 1/20/2015/NPST/11442 dated 26th Jul 2019. Prior to that Trustee Fees was charged at "Nil" w.e.f 25th January 2019 per annum, in terms of the National Pension Scheme Trust vide letter no. 1/20/2015/NPS dated January 25, 2019.



7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due. Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

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

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We
have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c Scheme G Tier II (the Scheme)** managed by **Aditya Birla Sun Life Pension Management Limited (PFM)** which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 and a summary of significant accounting policies and other explanatory information.

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

- a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2020;
- b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

Other Information



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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;
- d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and
- e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:



- Investments have been valued in accordance with the guidelines issued by PFRDA
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

Ray

Ray & Ray

Chartered Accountants

Firm Registration No. 301072E


Anil Karnik

Partner

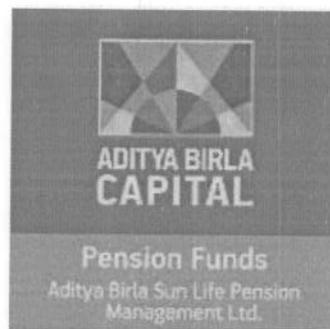
M. No. 31005

UDIN20031005AAAABP3710



Place: Mumbai

Date: 25 May 2020



**NPS TRUST A/C ADITYA BIRLA SUN LIFE PENSION
MANAGEMENT LIMITED**

SCHEME G TIER II

**Financial Statements together with Auditors' Report
For the Financial year ended March 31, 2020**

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

AUDITED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	Schedule	Scheme G Tier II	
		31st Mar 2020	31st Mar 2019
Income			
Interest		2,919,228	1,334,747
other income		-	7
Profit on sale/redemption of investments		329,162	74,571
Unrealised gain on appreciation in investments		2,356,590	777,493
Total Income (A)		5,604,980	2,186,818
Expenses & Losses			
Unrealised loss on appreciation in investments		-	167,445
Management fees (including service tax)		5,060	2,170
NPS Trust fees		1,563	684
Custodian fees		1,406	664
Brokerage		-	-
Depository and settlement charges		1,488	550
CRA fees		12,695	8,904
Less : Amount recoverable on sale of units on account of CRA Charges		-12,695	-8,904
NSDL & SEBI charges		222	80
Total Expenditure (B)		9,739	171,594
Surplus/(Deficit) for the year (A-B = C)		5,595,241	2,015,225
Less: Amount transferred to Unrealised appreciation account		2,356,590	610,048
Less: Amount transferred to General Reserve		3,238,651	1,405,177
Amount carried forward to Balance Sheet		-	-0



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

AUDITED BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Schedule	Scheme G Tier II	
		31st Mar 2020	31st Mar 2019
Liabilities			
Unit Capital	1	42,656,739	28,353,762
Reserve & Surplus	2	11,031,161	2,789,917
Current Liabilities	3	2,330,233	111,792
Total		56,018,133	31,255,471
Assets			
Investment	4	52,392,353	29,182,435
Deposits	5	-	-
Other Current Assets	6	3,625,781	2,073,036
Total		56,018,133	31,255,471
(a) Net asset as per Balance Sheet (Schedule 4+5+6-3)		53,687,900	31,143,679
(b) Number of units outstanding		4,265,674	2,835,376

The notes referred to above form an integral part of the financial Statements.



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 1: Unit capital

Particulars	Schedule	Scheme G Tier II	
		31st Mar 2020	31st Mar 2019
Initial capital			
Unit Capital			
Outstanding at the beginning of the period			
Add :Units issued during the period		28,353,762	9,274,924
Less: Units redeemed during the period		72,483,940	45,890,467
Outstanding at the end of the period		58,180,964	26,811,628
(Face Value of Rs.10/- each unit, fully paid up)		42,656,739	28,353,762
Outstanding units at the beginning of the period		10.00	10.00
Add :Units issued during the period		2,835,376	927,492
Less: Units redeemed during the period		7,248,394	4,589,047
Outstanding Units at the end of the period		5,818,096	2,681,163
		4,265,674	2,835,376

Schedule 2: Reserves and surplus

Particulars	Schedule	Scheme G Tier II	
		31st Mar 2020	31st Mar 2019
Unit premium reserve			
Opening balance			
Add: Premium on Units issued		725,953	16,981
Less: Premium on Units redeemed		14,713,197	1,670,470
Closing balance		12,067,194	961,498
General Reserve		3,371,956	725,953
Opening balance			
Add/(Less): Transfer from/(to) Revenue Account		1,622,273	217,096
Closing balance		3,238,651	1,405,177
Unrealised Appreciation Reserve		4,860,924	1,622,273
Opening balance			
Add/(Less): Transfer from/(to) Revenue Account		441,691	-168,357
Closing balance		2,356,590	610,048
Total		2,798,281	441,691
		11,031,161	2,789,917



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

SCHEDULES FORMING PART OF THE AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MARCH 2020

Schedule 3: Current liabilities and provisions

Particulars	Schedule	Scheme G Tier II	
		31st Mar 2020	31st Mar 2019
Current liabilities & Provisions			
Sundry creditors for expenses			
Redemption Payable		2,327,655	110,448
TDS Payable			
Contracts for purchase of investments		-	-
NPS charges payable		230	75
NSDL & SEBI Payable		194	80
Management fees payable		1,545	733
Custody charges payable		186	222
CCIL Charges Payable		423	235
Amount payable to other schemes			
Provisions*			
Total		2,330,233	111,792

* The Provision referred above is towards TDS payable on Custodian fees.

Schedule 4: Investments (Long Term and Short Term)

Particulars	Schedule	Scheme G Tier II	
		31st Mar 2020	31st Mar 2019
Government Securities		38,951,602	23,162,446
State Government Securities		10,870,699	4,755,459
Others - Mutual Fund Units		2,570,052	1,264,530
Total		52,392,353	29,182,435

Schedule 5: Deposits

Particulars	Schedule	Scheme G Tier II	
		31st Mar 2020	31st Mar 2019
Deposits with scheduled banks		-	-
Total		-	-

Schedule 6: Other current assets

Particulars	Schedule	Scheme G Tier II	
		31st Mar 2020	31st Mar 2019
Balances with banks in current account		2,307,108	1,547,514
Contracts for sale of investments		-	-
Sundry Debtors (margin money of Rs 5 lacs as on 31st mar 2020)		500,000	
Service tax asset		-	104
Interest Accrued But Not Due-SDL		179,497	85,216
Receivable for sales invst		-	831
Interest accrude but not due G Sec		639,176	439,371
Total		3,625,781	2,073,039

Schedule 7: Realised Gain on Sale/redemption of investment

Particulars	Schedule	Scheme G Tier II	
		31st Mar 2020	31st Mar 2019
REALISED GAIN ON SALE /REDEMPTION OF INVESTMENT			
Profit on slae of Government securities		179,667	
Profit on sale of Mutual fund scheme Units		149,495	74,571
Total		329,162	74,571



NAME OF PENSION FUND
SCHEME NAME
MONTH

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED
G-TIER II
Mar-20

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio
7.40% GOI 09.09.2035	IN0020050012	GOI	44000	4665557.6	8.69%
8.33% GS 7.06.2036	IN0020060045	GOI	11000	1257538.7	2.34%
8.28% GOI 15.02.2032	IN0020060086	GOI	7000	788041.8	1.47%
8.26% Government of India 02.08.2027	IN0020070036	GOI	48000	5282760	9.84%
8.32% GS 02.08.2032	IN0020070044	GOI	10000	1132262	2.11%
8.28% GOI 21.09.2027	IN0020070069	GOI	21000	2307011.7	4.30%
8.30% GS 02.07.2040	IN0020100031	GOI	41400	4796202.42	8.93%
8.83% GOI 12.12.2041	IN0020110063	GOI	4000	495966	0.92%
8.15% GSEC 24.11.2026	IN0020140060	GOI	7000	761713.4	1.42%
8.17% GS 2044 (01-DEC-2044).	IN0020140078	GOI	33000	3843173.4	7.16%
7.68% GS 15.12.2023	IN0020150010	GOI	5000	534250.5	1.00%
7.88% GOI 19.03.2030	IN0020150028	GOI	4000	435199.6	0.81%
8.13% GOI 22 June 2045	IN0020150044	GOI	20000	2336990	4.35%
7.73% GS MD 19/12/2034	IN0020150051	GOI	14400	1569601.44	2.92%
7.72% GOI 26.10.2055.	IN0020150077	GOI	7000	795238.5	1.48%
7.61% GSEC 09.05.2030	IN0020160019	GOI	13500	1442561.4	2.69%
7.06 % GOI 10.10.2046	IN0020160068	GOI	20000	2068834	3.85%
6.79% GS 26.12.2029	IN0020160118	GOI	10000	1013805	1.89%
6.79% GSEC (15/MAY/2027) 2027	IN0020170026	GOI	12000	1220444.4	2.27%
7.62% GS 2039 (15-09-2039)	IN0020190024	GOI	10000	1098201	2.05%
7.69% GOI 17.06.2043	IN0020190040	GOI	10000	1106249	2.06%
8.39% ANDHRA PRADESH SDL 06.02.2031	IN1020180411	SDL	10000	1079745	2.01%
8.19% Karnataka SDL 2029	IN1920180149	SDL	10000	1056235	1.97%
8.13 % KERALA SDL 21.03.2028	IN2020170147	SDL	1900	200328.97	0.37%
8.33 % KERALA SDL 30.05.2028	IN2020180039	SDL	10000	1067385	1.99%
7.33% MAHARASHTRA SDL 2027	IN2220170103	SDL	12000	1212226.8	2.26%
8.69% Tamil Nadu SDL 24.02.2026	IN3120150203	SDL	3500	379167.6	0.71%
SDL TAMIL NADU 8.05% 2028	IN3120180010	SDL	10000	1051159	1.96%
8.08% Tamilnadu SDL 26.12.2028.	IN3120180200	SDL	35000	3696472.5	6.89%
8.38% Telangana SDL 2049	IN4520180204	SDL	10000	1127979	2.10%
Total				49,822,301	92.80%

Money Market Instruments:-	Market Value	% of Portfolio
- Treasury Bills	Nil	-
- Money Market Mutual Funds	2,570,052	4.79%
- Certificate of Deposits / Commercial Papers	Nil	-
- Application Pending Allotment	Nil	-
- Bank Fixed Deposits (< 1 Year)	Nil	-
- Cash/ Cash Equivalent	2,307,108	4.30%
- Other Current Assets (Accrued Interest)	818,683	1.52%
Net Current Assets	(1,830,245)	-3.41%
GRAND TOTAL	53,687,898	100.00%

Average Maturity of Portfolio (in yrs)	15.01
Modified Duration (in yrs)	8.28
Yield to Maturity (%) (annualised)(at market price)	6.80%

CREDIT RATING EXPOSURE				
Securities			Market Value	% of Portfolio
Central Government Securities			38,951,602	72.55%
State Development loans			10,870,699	20.25%
AAA / Equivalent			-	-
A1+ (For Commercial Paper)			-	-
AA+ / Equivalent			-	-
AA / Equivalent			-	-
AA- / Equivalent			-	-
A+ / Equivalent			-	-
A / Equivalent			-	-
A- / Equivalent			-	-
BBB+ / Equivalent			-	-
BBB / Equivalent			-	-



NPS TRUST A/C
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019	Remarks/Formula/Method of Cal.
1	NAV Per Unit (Rs.)*			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	10.9861	10.0710	Closing NAV as on 1st April of the Current F Y
	High	12.7708	10.9840	Highest NAV during the F Y
	Low	10.9061	9.8329	Lowest NAV during the F Y
	End	12.5860	10.9840	Closing NAV as on 31st March of the Current F Y
2	Closing Assets Under Management (Rs. in Lakhs)			
	End	536.88	311.44	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	42,929,977.00	18,445,947.48	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	Gross Income as % of AAUM	13.06%	11.86%	Gross Income = Total Income as per Revenue Account
4	Expense Ratio			
a	Total Expense as % of AAUM (Scheme wise)	0.02%	0.93%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.01%	0.01%	IM fees (including applicable Taxes) as per Revenue Account
5	Net Income as a percentage of AAUM	13.03%	10.93%	Net Income = Surplus / Deficit as per Revenue Account
6	Portfolio turnover ratio	0.16	0.00	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	Returns [%]* Compounded Annualised Yield			
	Last 1 Year	14.58%	9.07%	
	Last 3 Years	NA	NA	CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$
	Last 5 Years	NA	NA	(where n=365/no. of days)
	Since Launch of the scheme (09.05.2017)	8.27%	5.08%	

* Declared NAV; Returns calculated based on declared NAV



NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

Notes to Accounts

8.1 Investments

8.2 All investments of the scheme are in the name of the NPS trust .

8.3 At the end of the financial year , there are no open positions of derivatives in the scheme

The Schemes investments made in associates and Group companies as on Mar 31, 2020

Security particulars	no of shares/bonds	3/31/2020		no of shares/bonds	3/31/2019	
		Cost	Market Value (Cr\$)		Cost	Market Value (Cr\$)
NIL		0	0		0	0

8.4 As on the date of Balance sheet , the scheme does not have any investments which can be categorized as NPA

Security particulars	Value of security	3/31/2020		3/31/2019	
		Cost	Market Value (Cr\$)	Cost	Market Value (Cr\$)
NIL		0	0	0	0

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2020		As on 31.03.2020		As on 31.03.2019		As on 31.03.2019	
	Rs in Cr\$	% to AAUM	Cost	Market Value (Cr\$)	Rs in Cr\$	% to AAUM	Cost	Market Value (Cr\$)
Unrealised Gain	0.24	5.49%	4.96	5.24	0.08	4.21%	2.28	2.36
Unrealised Loss	0.00	0.00%			0.02	0.91%	0.57	0.56
Net Unrealised Gain/Loss	0.24	5.49%	4.96	5.24	0.06	5.12%	2.86	2.92

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	G Tier II	G Tier II
	31.03.2020	31.03.2019
Average Net Asset Value	42,929,977.00	18,445,947
Purchase of Investment	400,632,204	234,258,941
% to average Net Asset Value	9.33%	12.70%
Sale of Investment	379,553,848	215,850,580
% to average Net Asset Value	8.84%	11.70%



8.7 Following are the transaction with Associates & Group companies under the scheme

Name of related party	Nature of relationship	FY 2019-20(Amt in Rs)	FY 2018-19(Amt in Rs)
Aditya Birla Sun Life Pension Management Ltd	Management feea paid	3515.09	1437.66

The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2020

Particular	G Tier II	G Tier II
	31.03.2020	31.03.2019
Investment management fees	5060.23	2170.38

Balance with Aditya Birla Sun life Pension management Ltd

Particular	G Tier II	G Tier II
	31.03.2020	31.03.2019
Investment Management Fees payable	1545.14	732.72

8.8 Unit Capital

Units are created and redeemed based on the intimation provided by Central Record keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve Based on confirmation from CRA the number of units as at the year end are 4265674

8.9 Unit NAV

Particular	As on 31.03.2020	As on 31.03.2019
NAV per unit (Rs)	12.586000	10.984

9 Details of sectoral classification of investment has been appended as part of notes to accounts.

9.1 The scheme has no contingent liability as at the end financial year.

As per our report of even date

For Ray & Ray

Chartered Accountants

Firm Reg. No. 301072E

Anil Karnik

Partner

Membership No. 31005

Place : Mumbai

Date :

For and on behalf of NPS Trust

Sh. Atanu Sen

(Chairman, NPS Board)

For Aditya Birla Sun Life Pension Management Company Limited

Sashi Krishnan
(CEO)

Kamlesh Das
(Director)

Munish Malik

(Chief Executive officer)



**NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) -
SCHEME G TIER II**

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / 'Authority') guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt. Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt. Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.



NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

The financials have been prepared for SCHEME G TIER I being managed by the Company.

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the



Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

PFRDA in exercise of its powers under sub-clause (b) of sub-section (2) of Sec 14 of the PFRDA Act, 2013, read with Regulation 15 and Regulation 43 of the PFRDA (Pension Fund) Regulations, 2015 issues these guidelines which shall be called as Valuation Policy guidelines, 2019. These guidelines shall supersede earlier guidelines/instructions issued in the matter with effect from 1st January 2020 and shall be followed henceforth.

Valuation Policy followed till 31st December 2019 was as follows:

a. Securities traded at a stock exchange:

- Central Government, State Government, Treasury Bill securities are valued at the prices provided by valuation agency on the particular valuation day.
- Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Analytics Limited (formerly known as ICRA Online Limited) and provided to ABSLPML on daily basis.

Valuation Policy followed from 1st January 2020 onwards is as follows:

Type of Security	Valuation Methodology
Securities with residual maturity of more than 30 days	The security will be valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.
Securities with residual maturity of upto 30 days	The security will be valued through amortization on the same basis as debt securities maturing upto 30 days.



Valuation of Mutual Fund Units

Mutual Fund Units Valued at latest NAV available on AMFI website. Presently, previous day's Scheme NAVs are being considered as Fund houses declare NAV at 9:00 pm and PFs declare it at 8:00 pm.

7.4 Income Recognition

- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.
- Accretion of discount relating to Treasury bills is recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of Government securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company charges investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes) according to Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company charges 0.005% per annum Trustee fees with effect from 1st August 2019 vide letter no 1/20/2015/NPST/11442 dated 26th Jul 2019. Prior to that Trustee Fees was charged at "Nil" w.e.f 25th January 2019 per annum, in terms of the National Pension Scheme Trust vide letter no. 1/20/2015/NPS dated January 25, 2019.



7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due. Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

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

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **National Pension System Trust (NPS Trust) A/c Scheme A Tier I (the Scheme)** managed by **Aditya Birla Sun Life Pension Management Limited (PFM)** which comprise the Balance Sheet as at 31st March, 2020, and Revenue Account for the period 1st April, 2019 to 31st March, 2020 and a summary of significant accounting policies and other explanatory information.

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

- a) in the case of the Balance Sheet, of the state of affairs of the Scheme as of March 31, 2020;
- b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date.

Basis for Opinion

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

Emphasis of Matter

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

The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

The investments in the scheme do not fall within the prescribed guidelines due to business/market limitations which is duly communicated to NPS Trust from time to time.



Other Information

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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain



professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes managed by PFM ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes managed by PFM to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme;
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books;
- d) All transaction expenses in excess of the limits (if any) contractually agreed to/approved by the Authority are borne by the PFM and are not charged to the NAV of the Scheme; and
- e) In our opinion, the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 (as amended) to the extent made applicable by the Regulations.

We further certify that:



- Investments have been valued in accordance with the guidelines issued by PFRDA
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

Ray

Ray & Ray
Chartered Accountants
Firm Registration No. 301072E


Anil Karnik

Partner

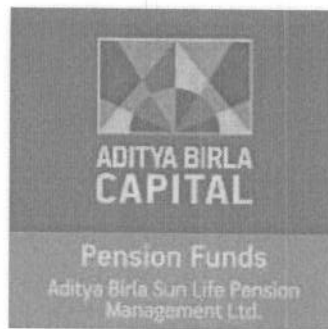
M. No. 31005

UDIN 031005AAAABL9903



Place: Mumbai

Date: 25 May 2020



**NPS TRUST A/C ADITYA BIRLA SUN LIFE PENSION
MANAGEMENT LIMITED**

SCHEME A TIER I

**Financial Statements together with Auditors' Report
For the Financial year ended March 31, 2020**

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I
AUDITED REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Amount in Rupees

Particulars	Schedule	Scheme A Tier I	
		31st Mar 2020	31st Mar 2019
Income			
Dividend		-	-
Profit on sale/redemption of investments		443,256	213,091
Unrealised gain on appreciation in investments		-	60,030
Total Income (A)		443,256	273,121
Expenses & Losses			
Loss on sale/redemption of investments		-	-
Unrealised loss on appreciation in investments		65,937	-
Management fees (including service tax)		797	436
NPS Trust fees		230	131
Custodian fees		-	-
Brokerage		-	-
CRA fees		7,880	5,382
Less : Amount recoverable on sale of units on account of CRA Charges		-7,880	-5,382
Depository and settlement charges		-	-
Total Expenditure (B)		66,963	566
Surplus/(Deficit) for the year (A-B = C)		376,293	272,554
Net Surplus/Deficit brought forward from previous year		-	-
Less: Amount transferred to Unrealised appreciation account		-65,937	60,030
Less: Amount transferred to General Reserve		442,230	212,525
Amount carried forward to Balance Sheet		-	-



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I
AUDITED BALANCE SHEET AS AT 31st MARCH 2020

Amount in Rupees

Particulars	Schedule	Scheme A Tier I	
		31st Mar 2020	31st Mar 2019
Liabilities			
Unit Capital	1	6,714,336	5,852,348
Reserve & Surplus	2	1,377,287	812,460
Current Liabilities	3	829	6,565
Total		8,092,452	6,671,373
Assets			
Investment	4	8,081,921	6,577,858
Deposits	5	-	-
Other Current Assets	6	10,531	93,515
Total		8,092,452	6,671,373
(a) Net asset as per Balance Sheet (Schedule 4+5+6-3)		8,091,623	6,664,807
(b) Number of units outstanding		671,434	585,235

The notes referred to above form an integral part of the financial Statements.



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

SCHEDULES FORMING PART OF THE UN-AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MAR 2020

Schedule 1: Unit capital

Amount in Rupees

Particulars	Schedule	Scheme A Tier I	
		31st Mar 2020	31st Mar 2019
Initial capital			
Unit Capital			
Outstanding at the beginning of the period		5,852,348	1,081,211.0
Add :Units issued during the period		3,495,439	7,927,710.0
Less: Units redeemed during the period		2,633,451	3,156,573.0
Outstanding at the end of the period		6,714,336	5,852,348
(Face Value of Rs.10/- each unit, fully paid up)		10.0000	10.0000
Outstanding units at the beginning of the period		585,235	108,121.0
Add :Units issued during the period		349,544	792,771.0
Less: Units redeemed during the period		263,345	315,657.0
Outstanding Units at the end of the period		671,434	585,235

Schedule 2: Reserves and surplus

Particulars	Schedule	Scheme A Tier I	
		31st Mar 2020	31st Mar 2019
Unit premium reserve			
Opening balance		524,761	48,235.0
Add: Premium on Units issued		619,831	789,362.0
Less: Premium on Units redeemed		431,295	312,836.0
Closing balance		713,295	524,761
General Reserve			
Opening balance		219841	7316
Add/(Less): Transfer from/(to) Revenue Account		442229.73	212525
Closing balance		662070.73	219841
Unrealised Appreciation Reserve			
Opening balance		67,858	7,828.0
Add/(Less): Transfer from/(to) Revenue Account		-65,937	60,030.0
Closing balance		1,921	67,858.0
Total		1,377,287	812,460



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

SCHEDULES FORMING PART OF THE UN-AUDITED YEARLY FINANCIAL STATEMENTS AS ON 31st MAR 2020

Schedule 3: Current liabilities and provisions

Amount in `

Particulars	Schedule	Scheme A Tier I	
		31st Mar 2020	31st Mar 2019
Current liabilities & Provisions			
Redemption Payable		571	6,380
Contracts for purchase of investments		-	-
NPS charges payable		35	17
Management fees payable		222	169
Total		829	6,565

* The Provision referred above is towards TDS payable on Custodian fees.

Schedule 4: Investments (Long Term and Short Term)

Particulars	Schedule	Scheme A Tier I	
		31st Mar 2020	31st Mar 2019
Mutual Fund Units		8,081,921	6,577,858
Total		8,081,921	6,577,858

Schedule 5: Deposits

Particulars	Schedule	Scheme A Tier I	
		31st Mar 2020	31st Mar 2019
Deposits with scheduled banks		-	-
Total		-	-

Schedule 6: Other current assets

Particulars	Schedule	Scheme A Tier I	
		31st Mar 2020	31st Mar 2019
Balances with banks in current account		10,531	93,515
Contracts for sale of investments		-	-
Total		10,531	93,515

Schedule 7 : Realised Gain on Sale/redemption of Investment

Particulars	Schedule	Scheme A Tier I	
		31st Mar 2020	31st Mar 2019
Profit on sale of Mutual fund		443,256	213,091
Total		443,256	213,091



NAME OF PENSION FUND
SCHEME NAME
MONTH

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED
A-TIER I
Mar-20

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio
Total				-	-

Money Market Instruments:-				Market Value	% of Portfolio
- Treasury Bills				Nil	-
- Money Market Mutual Funds				8,081,921	99.88%
- Certificate of Deposits / Commercial Papers				Nil	-
- Application Pending Allotment				Nil	-
- Bank Fixed Deposits (< 1 Year)				Nil	-
- Cash/ Cash Equivalent & Net Current Assets				10,531	0.13%
- Other Current Assets				(829)	-0.01%
GRAND TOTAL				8,091,623	100.00%



NPS TRUST A/C
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019	Remarks/Formula/Method of Cal.
1	NAV Per Unit (Rs.)*			NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)
	Open	11.3883	10.5862	Closing NAV as on 1st April of the Current F Y
	High	12.0620	11.3883	Highest NAV during the F Y
	Low	11.3883	10.5862	Lowest NAV during the F Y
	End	12.0513	11.3883	Closing NAV as on 31st March of the Current F Y
2	Closing Assets Under Management (Rs. In Lakhs)			
	End	80.92	66.65	Closing AUM as on 31st March of the Current F Y
	Average (AAUM)	6,753,993	3,703,801	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)
3	Gross Income as % of AAUM	6.56%	5.17%	Gross Income = Total Income as per Revenue Account
4	Expense Ratio			
a	Total Expense as % of AAUM (Scheme wise)	0.99%	0.01%	Total Expenses = Total Expenses as per Revenue Account
b	Management Fee as % of AAUM (Scheme Wise)	0.01%	0.00%	IM fees (Including applicable Taxes) as per Revenue Account
5	Net Income as a percentage of AAUM	5.57%	5.17%	Net Income = Surplus / Deficit as per Revenue Account
6	Portfolio turnover ratio	0.00	10.58	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)
7	Returns [%]* Compounded Annualised Yield			
	Last 1 Year	5.82%	7.58%	
	Last 3 Years	NA	NA	CAGR = $\{(1 + \text{cumulative return})^n\} - 1$
	Last 5 Years	NA	NA	(where n=365/no. of days)
	Since Launch of the scheme (15.05.2017)	6.66%	7.11%	

* Declared NAV; Returns calculated based on declared NAV



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C

ADITYA BIRLA SUN LIFE PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

Notes to Accounts

8.1 Investments

8.2 All investments of the scheme are in the name of the NPS trust .

8.3 At the end of the financial year , there are no open positions of derivatives in the scheme

The Schemes investments made in associates and Group companies as on Mar 31, 2020

Security particulars	no of shares/bonds	3/31/2020		no of shares/bonds	3/31/2019	
		Cost	Market Value (Cr)		Cost	Market Value (Cr)
NIL		0	0		0	0

8.4 As on the date of Balance sheet , the scheme does not have any investments which can be categorized as NPA

Security particulars	Value of security	3/31/2020		3/31/2019	
		Cost	Market Value (Cr)	Cost	Market Value (Cr)
NIL		0	0	0	0

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2020		As on 31.03.2020		As on 31.03.2019		As on 31.03.2019	
	Rs in Crs	% to AAUM	Cost	Market Value (Cr)	Rs in Crs	% to AAUM	Cost	Market Value (Cr)
Unrealised Gain	0.00	0.00%	0.00	0.00	0.00	1.18%	0.65	0.66
Unrealised Loss	0.01	0.98%	0.81	0.81	0	0	0.000	0.00
Net Unrealised Gain/Loss	0.01	0.01	0.81	0.81	0.00	1.18%	0.65	0.66

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	A Tier I	A Tier I
	31.03.2020	31.03.2019
Average Net Asset Value	6,753,993.00	3,703,801
Purchase of Investment	178,349,000	44,334,000
% to average Net Asset Value	26.41%	11.97%
Sale of Investment	177,222,256	39,172,591
% to average Net Asset Value	26.24%	10.58%

8.7 Following are the transaction with Associates & Group companies under the scheme

Name of related party	Nature of relationship	FY 2019-20(Amt in Rs)	FY 2018-19(Amt in Rs)
Aditya Birla Sun Life Pension Management Ltd	Management fees paid	574.44	266.96

The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2020

Particular	A Tier I	A Tier I
	31.03.2020	31.03.2019
Investment management fees	796.74	435.55



Balance with Aditya Birla Sun life Pension management Ltd

Particular	A Tier I	A Tier I
	31.03.2020	31.03.2019
Investment Management Fees payable	222.3	168.59

8.8 Unit Capital

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

Based on confirmation from CRA the number of units as at the year end are 671434

8.9 Unit NAV

Particular	As on 31.03.2020	As on 31.03.2019
NAV per unit (Rs)	12.0513	11.3883

9 Details of sectoral classification of investment has been appended as part of notes to accounts.

9.1 The scheme has no contingent liability as at the end financial year.

As per our report of even date

For Ray & Ray

Chartered Accountants

Firm Reg. No. 301072E

Anil Karnik

Partner

Membership No. 31005

Place : Mumbai

Date :

For and on behalf of NPS Trust

Sh. Atanu Sen

(Chairman, NPS Board)

For Aditya Birla Sun Life Pension Management Company Limited

Sashi Krishnan

(CEO)

Kamlesh Rao

(Director)

(Chief Executive officer)

Munish Malik



NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME A TIER I

Note 7

Significant accounting policies & notes to the Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.



PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.

NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in



the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

PFRDA in exercise of its powers under sub-clause (b) of sub-section (2) of Sec 14 of the PFRDA Act, 2013, read with Regulation 15 and Regulation 43 of the PFRDA (Pension Fund) Regulations, 2015 issues these guidelines which shall be called as Valuation Policy guidelines, 2019. These guidelines shall supersede earlier guidelines/instructions issued in the matter with effect from 1st January 2020 and shall be followed henceforth.

Valuation Policy followed till 31st December 2019 was as follows:

a. Debt Securities other than Government Securities

- Debt securities other than Government securities with a residual maturity over 60 days are valued at weighted average traded price on that day. When such securities are not traded on a particular day, they are valued on a yield to maturity basis, by using spreads over risk free benchmark yield obtained from agencies entrusted for the said purpose, by association of mutual fund in India (AMFI) to arrive at the yield for pricing the security.
- Debt securities other than Government securities with a residual maturity up to 60 days are valued at weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument. In case of floating rate securities with floors and caps on coupon rate and residual maturity of up to 60 days, then those shall be valued on amortisation basis, taking the coupon rate as floor.

b. Valuation of securities having call and/or Put options:

- Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.
- For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.



c. Valuation of Partly Paid up Bonds

Partly paid bonds will be valued on the paid-up value of the bonds till it is fully paid.

d. Valuation of debt securities below Investment grade of BBB-

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)

e. Valuation of Money Market Investment and Mutual Fund

Money market instruments like treasury bills, commercial paper, and certificate of deposit are valued at amortised cost. If they are traded, then they are valued at the last traded price on NSE.

Mutual fund units are valued based on the net asset value of the preceding day of the valuation date

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Analytics Limited (formerly known as ICRA Online Limited) and provided to ABSLPML on daily basis.

Valuation Policy followed from 1st January 2020 onwards is as follows:

S.No	Type of Security/Instrument	Valuation methodology
1)	All Instruments/ Securities with residual maturity of more than 30 days	Traded Securities: The traded price shall be taken subject to the fulfillment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs. Non-Traded Securities: The securities shall be valued on the basis of scrip level prices released by the valuation agency in consultation with NPS



		Trust and PFs. Purchase of new securities: In case of new security purchased for which price is not available, such security shall be valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
2)	Investment in "Additional Tier 1 (Basel III Compliant) Perpetual Bonds" [AT1 Bonds], ABS, MBS	The Investment in AT1 Bonds, ABS and MBS shall be valued at scrip level prices as above.
3)	All Instruments/ Securities with residual maturity of up to 30 Days	The securities will be valued by amortization on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently $\pm 0.025\%$, i.e. ± 2.5 basis points) of the reference price provided by the valuation agency

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

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

- All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines shall be valued at a discount of 25% of the face value.
- All non-investment grade debt securities (other than Government securities) not covered above **shall be valued at the indicative haircut matrix or price provided by the valuation agency.** In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price shall be considered

Valuation of Mutual Fund Units

Mutual Fund Units Valued at latest NAV available on AMFI website. Presently, previous day's Scheme NAVs are being considered as Fund houses declare NAV at 9:00 pm and PFs declare it at 8:00 pm.

Miscellaneous

Valuation of Bank Fixed Deposits	To be valued at face value and amortized on a straight-line basis.
Investment in	The investments in units of REIT/InvIT shall be valued on the



Units of "Real Estate Investment Trusts (REIT) & Infrastructure Investment Trusts (InvIT)"	basis of last closing price at the principal stock exchange (last closing price should not be later than 30 days). If not traded on principal stock exchange, the closing price on any other stock exchange where units are traded will be used.
Alternate Investment Funds (AIF)	The investments in units of AIF shall be valued on the basis of last closing price at the principal stock exchange (last closing price should not be later than 30 days). If not traded on principal stock exchange, the closing price on any other stock exchange where units are traded will be used.

7.4 Income Recognition

- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date up to the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date up to the date of sale credited to Interest Recoverable Account and not included in sale value.
- Dividend is accounted on accrual basis and recognised on the date the share is quoted on ex-dividend basis.
- Accretion of discount and amortisation of premium relating to debt securities like Zero Coupon Bond and Money Market Investment are recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of debt securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.
- Profit or loss on sale of equity is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Other income of a miscellaneous nature is accounted for as and when realised.

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.



7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company has started charging investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from May 05, 2017, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company charges nil Trustee fees with effect from 25th January 2019 per annum, in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated January 25, 2019, prior to that the Trustees fees were charged 0.005% per annum..

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period



c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

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

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.

