

This Report is in conformity with the format as
per the Pension Fund Regulatory and Development Authority
(Reports, Returns and Statements) Rules, 2015.



सत्यमेव जयते

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**PENSION FUND REGULATORY
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Letter of Transmittal

Ref: PFRDA/09/02/11/0011/2018-ANNUAL RPT Dept

20th December, 2018

To,

The Secretary,
Department of Financial Services,
Ministry of Finance,
Government of India,
Parliament Street
Jeevan Deep Building
New Delhi - 110 001

Subject: Annual Report of PFRDA- FY 2017-18.

Sir,

In accordance with the provision of Section 46 (2) of the Pension Fund Regulatory and Development Authority Act, 2013, I have pleasure in transmitting copies of the Annual Report of the Pension Fund Regulatory and Development Authority on the working of the Authority during the year ended March 31, 2018.

Yours faithfully


(Hemant G Contractor)

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STATEMENT OF GOALS AND OBJECTIVES

Under rule 9(2) (C) of Pension Fund Regulatory and Development Authority (Reports, Returns and Statements) Rules, 2015.

OBJECTIVE

The broad objectives of the PFRDA are contained in the Preamble to the PFRDA Act 2013 as under:

"To provide for the establishment of an Authority to promote old age income security by establishing , developing and regulating pension funds, to protect the interest of subscribers to schemes of pension funds and for matters connected therewith and incidental thereto."

Vision

To be a model Regulator for promotion and development of an organized pension system to serve the old age income needs of people on a sustainable basis.

Chairman's Message

It is my pleasure to present the annual report of PFRDA for the financial year 2017-18. On this occasion, we renew our endeavor to strive for the fulfillment of our mandate to promote and develop an organized and orderly pension system in India to serve the old age income needs of all citizens on sustainable basis.

Globally, the nations are witnessing a demographic shift towards increasingly ageing population, mainly on account of rising life expectancy and declining fertility. This has led many countries across the world to revisit their pension systems. The ageing population of India which was just 7.5% in 2001 increased to 8.6% by 2011 and it is predicted that it could be around 19% of total population by 2050.

In this background, the Government of India made a paradigm shift from the old defined benefit pension to the defined contribution pension, which is now known as the National Pension System (NPS). This was a systemic reform in the direction of fiscal prudence and development of a sustainable pension system. Eventually all the States of India barring West Bengal also adopted the NPS. Later in 2009, the NPS was opened up for private sector and all citizens of India to enable the multitude of India's working population to secure their old age within a sustainable defined contribution pension system.

To enable and encourage people from the unorganized sector to voluntarily save for their old age, Government had launched the Atal Pension Yojana (APY). APY, a defined benefit pension scheme guaranteed by the Government and administered by PFRDA has garnered a total of about 96.06 lakh subscribers and corpus of Rs. 3602 crore as on 31st March, 2018.

The unbundled NPS architecture leverages the specialized intermediaries at minimum possible cost. Such a platform provides for a technologically driven, low cost pension product which is portable across geographies and employment. NPS comes with ample flexibility where subscribers can exercise their choice regarding the Point of Presence, Central Recordkeeping Agency, Pension Fund Manager, Annuity Service Provider, mode of investment ~ active or passive management, frequency and amount of contribution among others.

To improve ease of access to NPS & APY, PFRDA has leveraged technology across the entire value chain. Launch of eNPS, Mobile apps, e-KYC etc. are improving the processes efficiencies. However, PFRDA is constantly vigilant about the cyber security measures to ensure that proper systems & processes are in place to mitigate any cyber threats.

The fiscal nudge provided by the announcement in the Union Budget 2017-18 regarding parity between an employee and self-employed, in respect of deductions up to 20% of the individual's gross total income in respect of contribution made to National Pension System Trust shall enable the on-boarding of subscribers under All Citizens model.

Due to better healthcare facilities and increased fitness along with opportunities available in private sector and self-employment, more and more people in late 60s and 70s are leading an active life. The annuity rates available in older age fetch better annuities than at the age of 60 or less. Keeping this in view, it has been decided to increase the maximum age of joining the NPS from the present 60 years to 65 years in NPS Private Sector i.e., NPS-All Citizen Model and Corporate Sector Model, as measure to mitigate longevity risk.

Lastly, pension is a long term financial product which requires consistent contribution towards one's corpus in the accumulation phase which is the working age of an individual. Subscribers should observe patience during market turmoil as their investments towards retirement are committed towards long term growth and short term market movements are expected to be evened out over time. PFRDA is steadfast in its commitment to keep subscribers' interest paramount and strives to ensure effective management of the NPS by its prudential regulation making process and supervisory role.

Chairman

Members of the Board

(as on 31.03.2018 appointed under Section 4 of the PFRDA Act, 2013 (Act 23 of 2013))

(a) Chairman

Shri Hemant G. Contractor

(b) Whole-Time Members

1. Dr. B.S. Bhandari, Whole-Time Member (Economics) from 16th May, 2014 till date.
2. Shri Pradeep Chaddah, Whole-Time Member (Law) from 30th June, 2016 till 26th March, 2018.
3. Shri Supratim Bandopadhyay, Whole-Time Member (Finance) from 12th March, 2018 till date.

(c) Part-Time Members

1. Ms. Vandana Sharma, Additional Secretary, Department of Pension and Pensioner's Welfare from 12th December, 2014 to 11th August, 2017.
2. Ms. Annie George Mathew, Joint Secretary, Department of Expenditure from 12th December, 2014 till date.
3. Mr. Suchindra Misra, Joint Secretary, Department of Financial Services from 23rd June, 2016 till 3rd November, 2017.
4. Shri Sanjiv Narain Mathur, Joint Secretary, DPPW, Ministry of Personnel, P G and Pensions from 11th August, 2017 till date.
5. Shri Madnesh Kumar Mishra, Joint Secretary, DFS, Ministry of Finance from 3rd November, 2017 till date.

SENIOR MANAGEMENT OF THE AUTHORITY

(as on 31.03.2018)

EXECUTIVE DIRECTOR

Shri Satya Ranjan Prasad

Shri Kamal Kumar Chaudhry (On deputation to NPS trust)

Shri Ananta Gopal Das

CHIEF GENERAL MANAGER

Smt. Sumeet Kaur Kapoor

Shri Venkateswarlu Peri

Shri Rakesh Sharma

GENERAL MANAGER

Shri Ashish Kumar

Shri K.Mohan Gandhi

Shri Pravesh Kumar

Shri Rahul Ravindran

Shri Mono Mohon Gogoi Phukon

Shri Akhilesh Kumar

Shri Vikas Kumar Singh

CHIEF VIGILANCE OFFICER

Shri M. P. Nagpal

OMBUDSMAN

Shri Vinod Kumar Pande

ANNUAL REPORT TEAM

Smt. Sumeet Kaur Kapoor, Chief General Manager

Smt. Manju Bhalla, Deputy General Manager

Shri. Manish Mani, Manager

Abbreviations

AIF	Alternative Investment Fund
AIS	All India Service
AML	Anti-Money Laundering
APY	Atal Pension Yojana
ASP	Annuity Service Provider
AUM	Assets Under Management
BSE	Bombay Stock Exchange
CAB	Central Autonomous Bodies
CAGR	Compounded Annual Growth Rate
CBLO	Collateralised Borrowing and Lending Operation
CBO	Corporate Branch Office
CBS	Core Banking Solution
CHO	Corporate Head Office
CD	Certificates of Deposit
CFT	Cross file Transfer
CG	Central Government
CGMS	Central Grievance Monitoring System
CP	Commercial Paper
CPI	Consumer Price Index
CPIO	Central Public Information Officer
CRA	Central Recordkeeping Agency
CRA- FC	Central Recordkeeping Agency- Facilitation Centre
CSO	Central Statistical Office
DA	Dearness allowance
DB	Defined Benefit
DC	Defined Contribution
DDO	Drawing and Disbursing Officer
DCCB	District Central Co-operative Bank
DFS	Dept. of Financial Services
DTA	Domestic Tariff Area
DTO	District Treasury Office
ECB	European Central Bank
EEE	Exempt Exempt, Exempt
EET	Exempt, Exempt and Tax
EMDE	Emerging market and developing economies

Abbreviations

EME	Emerging Market Economies
EPF	Employee Provident Fund
ETF	Exchange Traded Fund
FCNR	Foreign Currency Non-Residential
FD	Fixed Deposit
FII	Foreign Institutional Investor
FPI	Foreign Portfolio Investment
FRC	Fund Receipt Confirmation File
FY	Financial Year
GDP	Gross Domestic Product
GPF	General Provident Fund
GRC	Grievance Redressal Cell
GST	Goods and Services Tax
GVA	Gross Value Added
ICT	Information and Communications Technology
IDR	Indian Depository Receipts
IMF	International Monetary Fund
INR	Indian Rupee
IPIN	Internet Personal Identification Number
TPIN	Trading partner identification number
IRDAI	Insurance Regulatory and Development Authority of India
ITES	Information Technology Enabled Services
IVR	Interactive Voice Response System
KYC	Know Your Customer
LNG	Liquefied Natural Gas
MFI	Micro Finance Institution
MIS	Management Information System
NABARD	National Bank for Agriculture and Rural Development
NAV	Net Asset Value
NBFC	Non-Bank Financial Companies
NISM	National Institute of Securities Market
NPS	National Pension System
NPSCAN	NPS Contribution Accounting Network
NPST	National Pension System Trust
NRE	Non Resident External
NRI	Non-Resident of India
NRO	Non Resident Ordinary rupee

NSDL	National Securities Depository Limited
NSE	National Stock Exchange
OBC	Other Backward Caste
OECD	Organization for Economic Cooperation and Development
OMO	Open Market Operations
OTP	One Time Password
PMI	Purchasing Managers' Index
RBI	Reserve Bank of India
RRB	Regional Rural Bank
RTI	Right to Information
PAN	Permanent Account Number
PAO	Pay and Accounts Office
PrAO	Principal Accounting offices
PF	Pension Fund
PFI	Private Finance Initiative
PFM	Pension Fund Manager
PFRDA	Pension Fund Regulatory and Development Authority
PoP	Point of Presence
PoP-SP	Point of Presence Service Provider
PPF	Public Provident Fund
PRAN	Permanent Retirement Account Number
PSU	Public Sector Undertaking
SC	Scheduled Caste
SCF	Subscribers Contribution File
SDL	State Development Loan
SEBI	Securities and Exchange Board of India
ST	Scheduled Tribe
SG	State Government
SHCIL	Stock Holding Corporation of India Ltd
SLBC	State Level Bankers Committee
SOT	Statement of Transactions
TB	Trustee Bank
WEO	World Economic Outlook
WPI	Wholesale Price Index
WTM	Whole Time Member
YTM	Yield to Maturity

Part I

Policies & Programmes

The Indian Finance Minister, in his 2016 Union Budget speech, articulated an aspiration to move towards a pensioned society. Further the Preamble to PFRDA Act, 2013 sets out the objective of providing age- old income security in India. This needs a systemic approach towards designing and implementing a coherent and financially sustainable pension system. The introduction of the National Pension System in India marked a paradigm shift from Defined benefit to Defined contribution system, success of which depends upon consistent savings , prudential investments into Equity and debt securities, and judicious draw down during the de-accumulation phase. Further, the design of these three phases is greatly impacted by the global and domestic developments in the financial sector. On reaching a critical mass, Pension assets also start impacting the economy through myriad ways including channelizing the small savings into desired sectors like Infrastructure, maturing of capital markets, stabilizing the capital markets through Buy and hold strategy etc.

As the Global and domestic developments like growth rates, commodity prices, inflation etc impact all types of the financial markets , be it Equity market, G sec market or bond markets, it is in fitness of things to first have a bird eye view of the Global and domestic economy before reviewing the developments in the global and domestic pension markets.

1.1 General Review of the Global Economic Scenario

The International Monetary Fund (IMF) in its World Economic Outlook (WEO), April 2018 reveals that global growth was 3.8 percent in 2017, At 3.8 percent, global growth in 2017 was strongest since 2011. Two-third of countries

accounting for about three-fourth of global output experienced faster growth in 2017 than in the previous year. The preliminary outcome for global growth in 2017 was 0.2 percentage point stronger than earlier forecast in advanced as well as emerging market and developing economies. Economic activity in second half of the year ended up on high note i.e. above 4 percent. Outcomes exceeded the outlook forecasts in the euro area, Japan, the United States, and China, and continued to improve gradually in commodity exporters. Financial conditions remain supportive, despite the recent volatility in equity markets and increases in bond yields following signs of firming inflation in advanced economies. With broad-based momentum and expectations of a sizable fiscal expansion in the United States over this year and the next, global growth is now projected at 3.9 percent for 2018-19.

1.1.1 The Global Economy

The pickup in global activity in the first half of 2017, reflecting firmer domestic demand growth in advanced economies and China and improved performance in other large emerging market economies the WEO report April, 2018 updates that after October 2017 the economic outlook both for emerging markets and developing countries have upside trend. Across advanced economies, the 0.6 percentage point pickup in 2017 growth relative to 2016 is explained almost entirely by investment spending, across emerging market and developing economies, the 0.4 percentage point pickup in 2017 growth came primarily from an acceleration in private consumption. Growth in China and India last year was supported by resurgent net exports and strong private consumption, respectively, while investment growth slowed. Global trade - which tends to be highly correlated with global

investment recovered strongly in 2017, to an estimated real growth rate of 4.9 percent. The upsurge was more pronounced in emerging market and developing economies (with trade growth rising from 2.2 percent in 2016 to 6.4 percent in 2017), reflecting improved investment growth rates in formerly stressed commodity exporters as well as the recovery in advanced economy investment and domestic demand more generally.

Among advanced economies, large exporters, such as Germany, Japan, the United Kingdom, and the United States, contributed strongly to the recovery in exports, while the recovery in imports was broad based, except in the United Kingdom. Among emerging market and developing economies, the rebound in export growth was particularly strong in emerging Asia, especially China. As around 40% of the NSE100 companies are export oriented, this is considered as an important development for the equity market in India as well, where around 13% of NPS funds are invested.

1.1.2 Global Commodities Prices :

The IMF's Primary Commodities Price Index rose 16.9 percent between August 2017 and February 2018 - that is, between the reference periods for the October 2017. The increase was driven primarily by rising oil and natural gas prices. Among the other subindices, metals and agricultural commodity prices also rose, although less rapidly than energy prices.

Oil prices, which constitute an important factor in our current account deficit and hence health of the economy, increased to more than \$65 a barrel in January, the highest level since 2015. Prices moderated to \$63 a barrel in February, 2018. The natural gas price index - an average for Europe, Japan, and the United States - rose sharply due to the strong demand for liquefied natural gas (LNG) in China, where the government has restricted the use of coal to

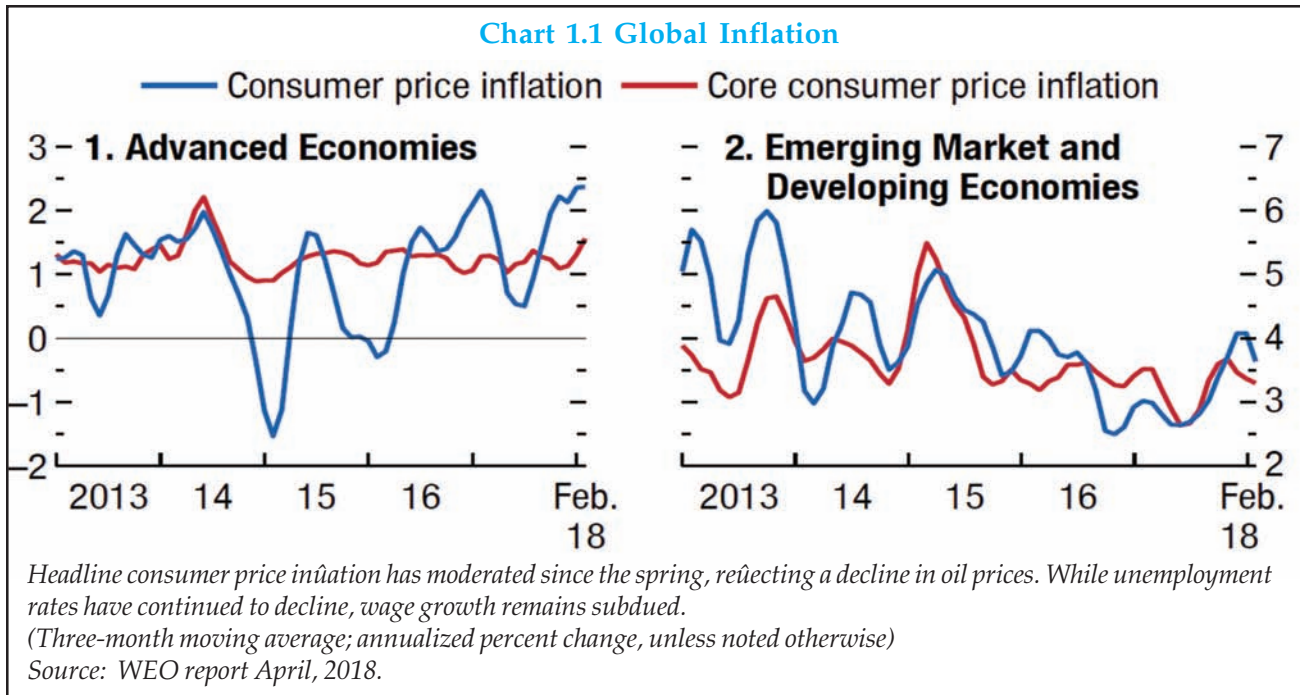
mitigate air pollution, helped drive the spot LNG price to its highest level in three years. Higher oil prices also added upward pressure in countries where oil linked pricing is more common. There is upward trend in metal prices & agriculture price index.

1.1.3 Inflation:

Inflation is an important factor which determines the purchasing power of an individual. Hence, the designs for pensions invariably need to take into account the inflation rate so as to target the real rate of returns.

As per the WEO report, Core inflation rates (when fuel and food prices are excluded) has been generally soft. In most advanced economies, core inflation remains below target. In US it stood at about 1.6 percent. In euro areas the twelve-month core inflation notched up to 1.1 percent in February, while in Japan it has remained on a gentle upward trajectory in recent months, reaching 0.4 percent in January. The United Kingdom is an exception to the pattern of below-target inflation. At 2.4 percent in February, UK core inflation is below the peak it reached in 2017 in the aftermath of the June 2016 Brexit referendum pound depreciation, but remains above the Bank of England's target of 2 percent.

Core inflation is around historical lows in Brazil and Russia, where demand has been recovering from the deep contractions of 2015-16, while it has picked up in India after falling sharply in the second quarter of 2017 due to one-off factors. In China, core inflation remains broadly stable at about 2 percent. In contrast, other countries - in sub Saharan Africa; the Commonwealth of Independent States; and the Middle East, North Africa, Afghanistan, and Pakistan region - continue to grapple with high inflation stemming from the pass-through of earlier exchange rate depreciations.



1.1.4 Financial Condition

It is important to track the relative currency fluctuations in an interconnected world, wherein the movements of the major currencies can impact the relative competitiveness of the domestic industries especially which are export import oriented manifesting in the financial sector indices.

As per the WEO report, in emerging market economies, financial conditions since August have generally remained supportive to show upward trend. Monetary policy was eased further in Brazil and Russia, while it was tightened in Mexico. The announcements of intended US tariff actions on steel, aluminium and a range of Chinese products, as well as the announcement by China of retaliatory tariffs on imports from the US leads to equity market valuations remain stronger. Corporate credit spreads are tighter or little changed relative to August. Despite widening interest rate differentials, the US dollar weakened modestly in real effective terms, by about $1\frac{1}{2}$ percent between August 2017 and end - March 2018, and is about $4\frac{1}{2}$ percent weaker than its 2017 average. The euro has appreciated by around 1

percent and stands about 4 percent stronger than its 2017 average. Among other currencies, the Japanese yen has remained broadly stable, while the British pound appreciated $5\frac{1}{2}$ percent after the Bank of England also raised interest rates. Equity markets have strengthened and spreads on the J.P. Morgan Global Emerging Markets Bond Index have declined. Long-term interest rates on local currency bonds have increased in countries growing rapidly, such as in emerging Asia and emerging Europe.

1.1.5 Bond and equity markets.

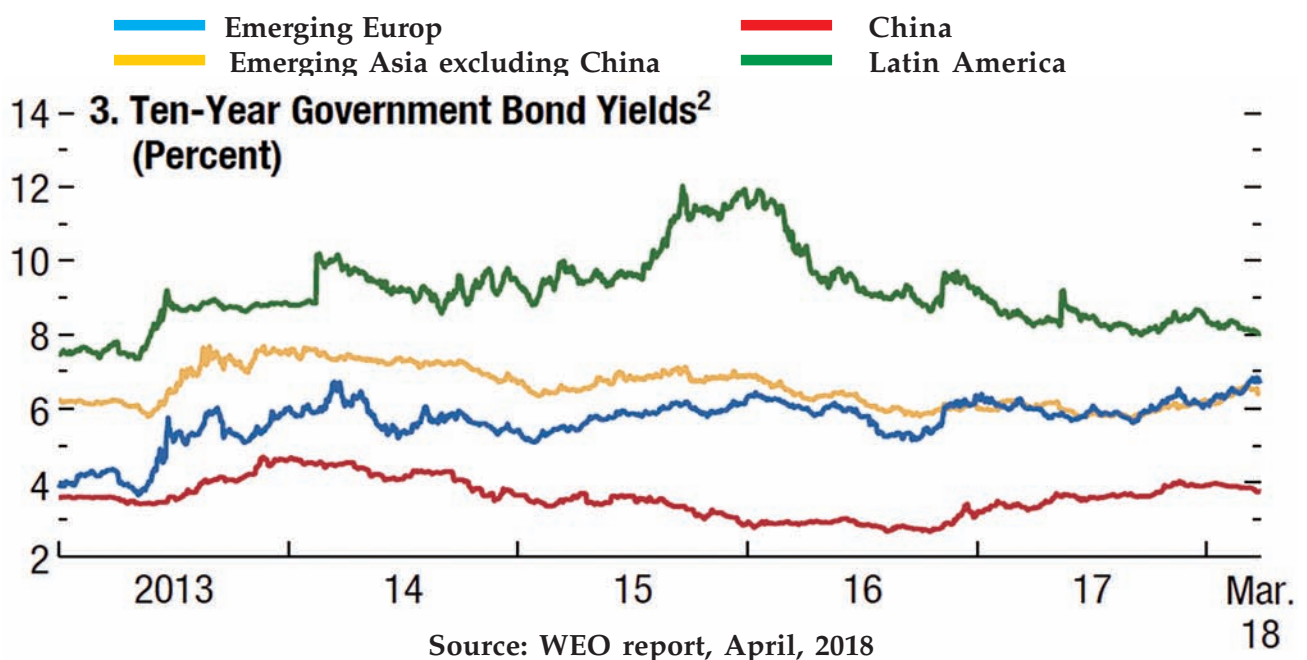
FII's can play a major role in the performance of financial indices like equity and debt markets in India today. The performance of the financial markets in the Advanced economies like US, impact the direction of the foreign Institutional Investors -towards or away from the emerging markets and therefore need to be tracked.

As per IMF WEO report of July, 2017, the long-term bond yields in advanced economies had declined since March, with an expectation of rebound. The next report reveals, with strengthening economic activity and expectations of more increases in the policy rate in the United States, nominal yields on 10-year

US Treasury bonds have risen by over 50 basis points since August (as of end March 2018). Over the same period, long-term bond yields have risen by some 10 basis points in Germany and 25 basis points in the United Kingdom, while they have remained around zero in Japan. Long term bond yields have remained broadly unchanged in Italy and Spain, as their spreads over German bunds have compressed with the increase in German yields. Corporate debt remains high in some emerging markets. Tighter regulation of nonbank intermediation in China, where nonfinancial corporate sector debt is still rising, is a welcome start of a needed policy response to contain the accumulation of vulnerabilities.

Global growth momentum is strong and borrowing rates are low, but it could come to the fore over the medium term, exposing financial fragility. An eventual global repricing of risk could be triggered by various shifts, including a broad-based pickup in inflation. Long-term sovereign bond yields have remained broadly stable in Japan and Germany, risen by some 10 basis points in the United Kingdom, and declined by 20-30 basis points in France, Italy, and Spain, as spreads relative to German bund yields compressed sharply, particularly in the aftermath of the French presidential election. Equity markets in advanced economies have continued to rise, market volatility indicators remain low.

Chart 1.2 Ten Year Government Bond Yields



1.1.6 Global Growth outlook for 2018

As per the WEO report, Global growth is expected to move up to 3.9 percent in 2018 and 2019 supported by strong momentum, favorable market sentiment, accommodative financial conditions, and due to impact of expansion of fiscal policy in the United States. Aggregate growth in emerging market and developing economies is projected to be firm. In emerging

market and developing economies, the growth will remain close to its 2018-19 level and it is projected that increase in India's growth and will lead to some offset to China's gradual slowdown. Emerging Europe's is expected to return to its lower-trend growth rate, 40 emerging market and developing economies are projected to grow more slowly in per capita terms than advanced economies. The outlook

is mixed across emerging market and developing economies. Prospects remain favourable in emerging Asia and Europe, but are challenging in Latin America, the Middle East and sub-Saharan Africa.

1.1.7 Emerging Market and Developing Economies

Emerging and Developing economies are alternatives to Indian markets for the FIIs and hence it is important to track our peers, especially China, which, due to sheer size of its economy and foreign trade, is able to impact the Global macro economic parameters.

As per the WEO report, growth in emerging market and developing economies is expected to increase from 4.8 percent in 2017 to 4.9 percent in 2018 and 5.1 percent in 2019.

In China, growth is projected to moderate from 6.9 percent in 2017 to 6.6 percent in 2018 and 6.4 percent in 2019. India's economy is projected to grow at 7.4 percent in 2018 and 7.8 percent in 2019, up from 6.7 percent in 2017. The forecast is unchanged from the October WEO, with the short-term firming of growth driven by a recovery from the transitory effects of the currency exchange initiative and implementation of the national goods and services tax, and supported by strong private consumption growth. Recovery in Latin America and the Caribbean is strengthening, with growth for the region projected to increase from 1.3 percent in 2017 to 2.0 percent in 2018 and 2.8 percent in 2019. Following a deep recession in 2015-16, Brazil's economy returned to growth in 2017 (1.0 percent) and is expected to improve to 2.3 percent in 2018 and 2.5 percent in 2019. In Argentina, growth is expected to moderate from 2.9 percent in 2017 to 2.0 percent in 2018. In Venezuela, real GDP is forecast to fall by about 15 percent in 2018 and a further 6 percent in 2019. Growth in emerging and developing Europe is projected to moderate from 5.8 percent in 2017 to a still-robust 4.3

percent in 2018 and soften further to 3.7 percent in 2019 (0.8 and 0.4 percentage point higher, respectively, than projected in the October).

Growth in sub-Saharan Africa is projected to rise to 3.4 percent in 2018 (from 2.8 percent in 2017) and improve slightly thereafter through the medium term to about 4.0 percent. In the Middle East, North Africa, Afghanistan, and Pakistan region, growth is projected to increase from 2.6 percent in 2017 to 3.4 percent in 2018 and 3.7 percent in 2019. Pakistan's economy is expected to expand at a robust pace of 5.6 percent this year (up from 5.3 in 2017), before moderating to 4.7 percent in 2019. In Saudi Arabia, growth is projected to resume this year, rising to 1.7 percent from a contraction of 0.7 percent in 2017. Growth in 2019 is expected to rise slightly to 1.9 percent as oil output increases, with the assumed expiration of the Organization of the Petroleum Exporting Countries.

1.2 Domestic Economy

1.2.1 Macro-Economic Developments in India

Major reforms were undertaken over the past year. The transformational Goods and Services Tax (GST) was launched, the long-festering Twin Balance Sheet (TBS) problem was sought to be addressed by sending the major stressed companies for resolution under the new Indian Bankruptcy Code and implementing a major recapitalization package to strengthen the public sector banks. As a result of these measures and the effects of earlier policy actions, the economy began to accelerate in the second half of the year.

The growth of GDP at constant prices for the year 2017-18 is 6.7 per cent, as compared to 7.1 per cent in 2016-17.



The production of the manufacturing sector grew by 4.4 per cent in March 2018, as compared to the growth of 3.3 per cent in March 2017. The manufacturing sector's growth during 2017-18 was 4.5 per cent, as compared to growth of 4.4 per cent during 2016-17.

Growth of money supply (on year on year basis) as of 30th March 2018 stood at 9.6 per cent, as

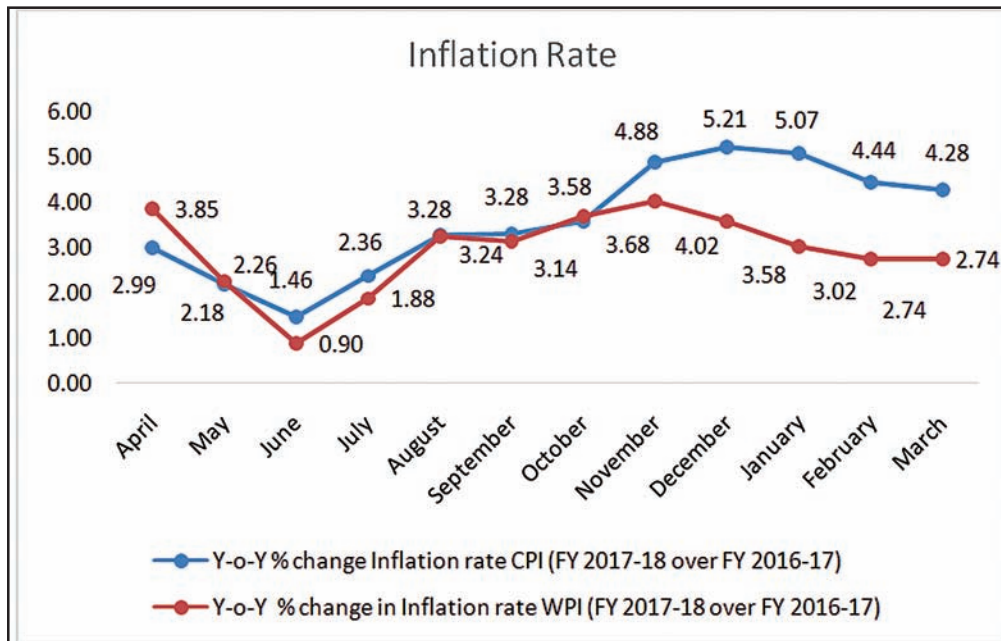
compared to a growth of 6.9 per cent recorded in the corresponding period in the previous year.

The Economic Survey report 2017-18 has estimated the economic growth rate in the fiscal year 2019 between 7% and 7.5%, while stating that the rising crude oil price has become a major concern and is expected to grow by average 12% in the FY 2019. Further, the survey said that private investment is poised to rebound in the fiscal year 2019 and employment, education and agriculture will remain the focus in the medium term.

Inflation

The inflation in FY 2017-18 remain under control. In comparison to the month of April, 2016 the WPI recorded at rate of 3.85 % in its next corresponding year, it went as down as 0.90% in the month of June, 2017. CPI inflation rate was high at 5.21% in the month of December, 2017 against its last corresponding year. CPI went as down as 1.46% in the month of June, 2017.

Chart 1.3: The inflation rate CPI & WPI years on year are shown below:



Data source: CSO,DIPP & www.data.gov.in

Table no. 1.1 Inflation based on different price indices (per cent)

Particulars	2016-17*	2017-18*
WPI	1.7	3.0
CPI (combined)	4.5	3.6

Source: Department of Industrial Policy & Promotion (DIPP) for WPI & Central Statistics Office (CSO) for CPI (combined)

*Inflation during years is percentage change in average of monthly index over average of monthly index of last year.

GST and Indian Economy

The introduction of Goods and Service Tax (GST) is a significant step in the reform of indirect taxation in India. GST was launched in July 2017 with the aim to consolidate several Central and State taxes into a single tax to mitigate cascading or double taxation. GST brings a harmonized tax structure and uniform compliance practices both by regulators and businesses. The number of indirect taxpayers in the country witnessed growth of 50 percent to 9.8 million unique GST registrants, as of December, 2017 and as on March, 2018, 10.05 million taxpayers have been registered under GST regime.

GST, which brought businesses with annual sales of Rs20 lakh and above into the indirect tax net, has made many small, informally

operating firms without tax registration or social security schemes, part of the formal economy by becoming registered tax payers.

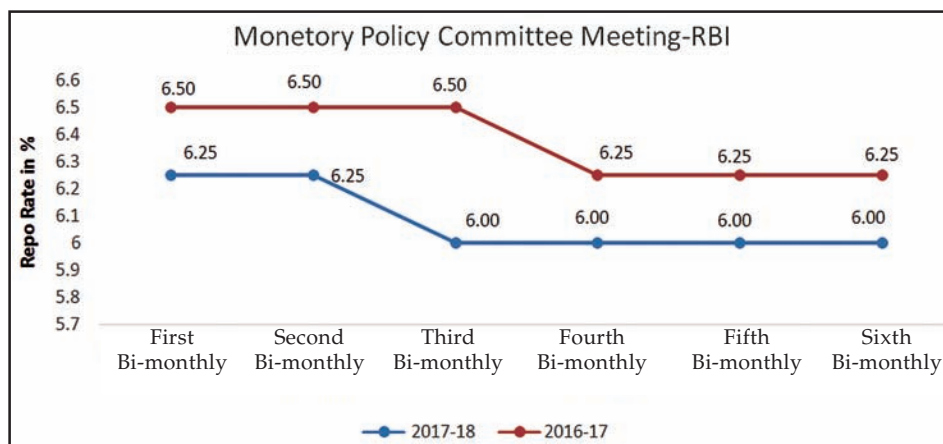
GST has helped the number of taxpayers go up by 3.4 million, as per the Economic Survey of FY17-18. With the requirement for maintaining books of accounts and being part of the digital tax return processing system, they have now become the biggest pool of potential new customers for the National Pension System (NPS).

Monetary Management

Monetary policy during 2017-18 was conducted under the revised statutory framework, which was effective from August 5, 2016. In the first & second bi monthly meeting the Monetary Policy Committee (MPC) decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.25 per cent. In third bi-monthly Monetary Policy Statement for 2017-18 (in August 2017), the Monetary Policy Committee decided to reduce the policy Repo Rate by 25 basis points to 6.0 per cent. It kept the rates unchanged in both October and December 2017.

In the FY 2016-17 & FY 2017-18 the repo rates had registered a decline of 25 basis point, during FY 2016-17 it started with 6.50% and closed the FY with 6.25% whereas, at the beginning of FY

Chart 1.4: A movement in the repo rate during FY 2016-17 & FY 2017-18 is presented below:



2017-18 the repo rate was 6.25% and by the end it went down to 6.00%.

In tandem with the re-monetisation process, from November 17, 2017, as a favourable base effect set in, the Year on Year (YoY) growth of both 'Currency in circulation' and 'Reserve money' (M0) turned sharply positive and higher than their respective growth rates in the previous year. After demonetisation in early November 2016, the Reserve Bank had scaled up its liquidity absorption operations using a mix of both conventional and unconventional instruments. Liquidity conditions remain in surplus mode even as its magnitude moderated gradually with progressive remonetisation.

1.3 Financial Markets

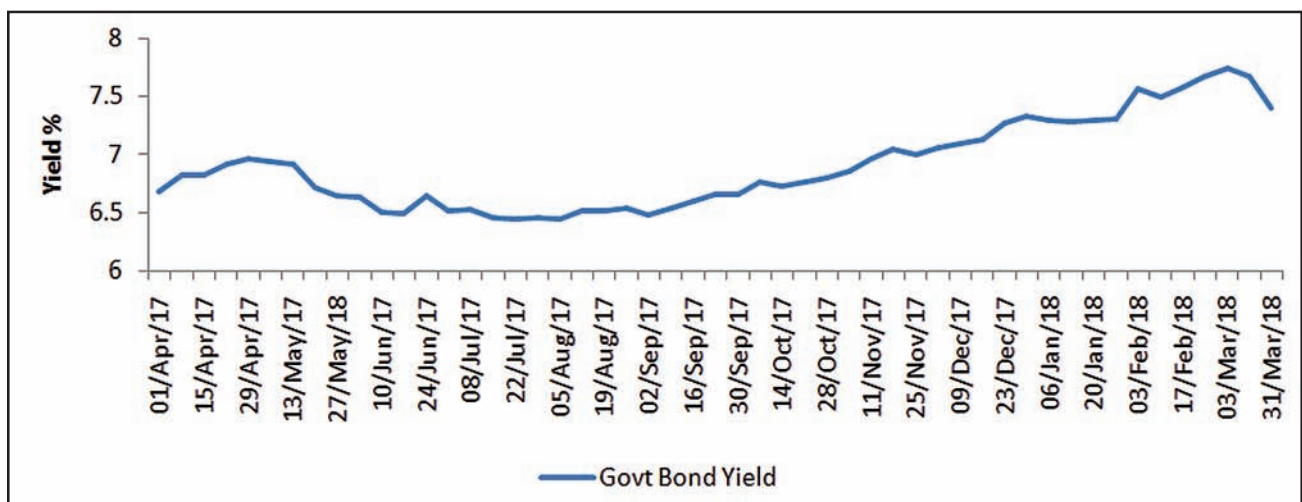
India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities.

G-Sec Market

During 2017-18 (up to 11th January, 2018), the direction of movement of the 10-year generic G-sec yield altered significantly. In April 2017, G-secs traded with a moderate hardening bias. However, the G-sec yield softened sharply after May 12, 2017 mainly on account of auction of a new benchmark security coupled with lower than expected inflation for April 2017. Between May 2017 and July 2017, G-secs traded with a softening bias on account of better than expected economic data viz., lower inflation, positive monsoon forecast and dovish stance of monetary policy in June 2017. The softening of yield was further supported by robust FPI inflows.

Later, from mid-July to November 17, 2017, the yield movement was mainly guided by global factors and reflected a hardening bias in the US. Furthermore, domestic factors such as, higher CPI inflation, additional supply of securities through OMO sales, rise in oil prices leading to concerns of higher inflation, and higher government borrowings, exerted upward pressure on yields. India's sovereign rating upgrade by Moody's, however, briefly

Chart 1.5: 10 Year G-Sec Generic Bid Yield (Percent)



Source: Bloomberg

led to a decline of the 10-year G-sec yield to 7.10 per cent on November 20, 2017, but it went back up later. The G-sec yield as on March, 2018 stands at 7.40 per cent.

Corporate Bond Market

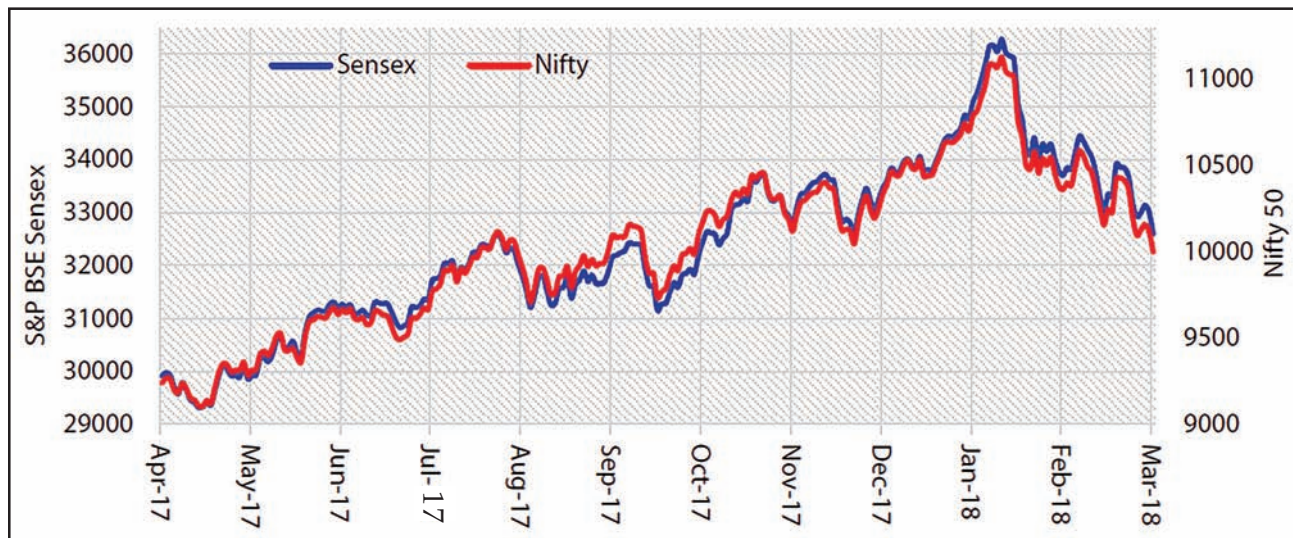
India's corporate bond markets have seen a healthy growth in the last few years, supported by several structural and cyclical factors. A series of favourable steps taken by regulators and policy makers to broaden the bond markets has been one of the key influences. In a major

move to make the corporate bond market deep and vibrant in the country, In the budget 2018 Speech, Government proposed the corporate sector to raise at least one-fourth of their funding requirement through bonds.

Equity Market

The implementation of the Goods and Services Tax and the move to bring back long-term capital gains tax that spooked investors, India has witnessed an eventful twelve months starting April 2017.

Chart 1.6: Sensex and Nifty movement



Sources: BSE & NSE data

India's leading equity benchmark, the Nifty 50 Index, touched fresh record levels in financial year 2017-18. As per SEBI, on Jan, 29, 2018 the Sensex and Nifty touched their all-time high of 36,444 and 11,172 respectively. S&P BSE Sensex has recorded a growth of 11.3 per cent from its closing figure of last year and closed at 32,969 on 28th March, 2018. Nifty 50, the benchmark index of NSE, closed at 10,114 points on 28th March, 2018, witnessing a gain of 10.2 per cent from its closing of 9,174 points as on March 31st, 2017.

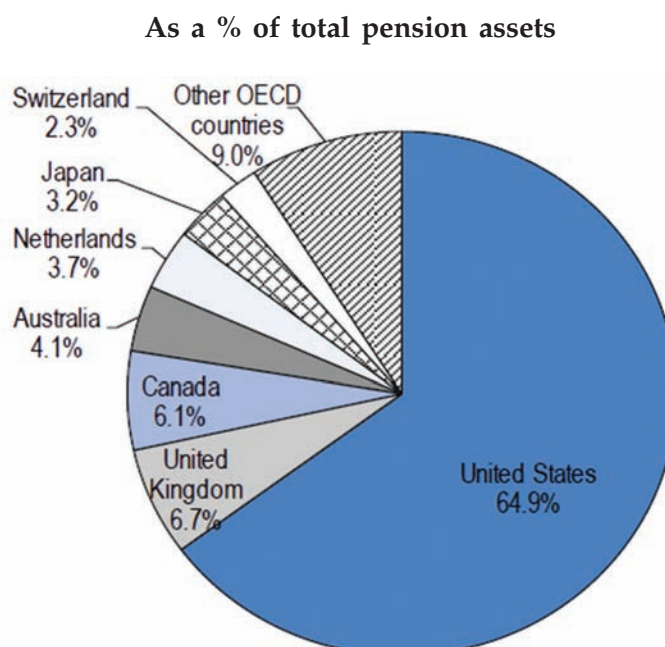
1.4 Review of Global Pension Market

According to OECD, the amount of assets in pension arrangements in OECD varied widely

across countries, this has reached to a record USD 43.4 trillion in 2017. Pension assets amounted to less than USD 0.2 trillion in 78% of the reporting jurisdictions, while 8% of jurisdictions exceeded USD 1 trillion. The largest amounts of pension assets with the largest economies with a long history of pension savings, assets exceeded USD 1 trillion in seven OECD countries: Australia, Canada, Japan, the Netherlands, Switzerland, the United Kingdom and the United States.

The seven countries with assets in excess of USD 1 trillion, held more than 90% of pension assets in the OECD area in 2017. The largest amount of pension assets among OECD countries was held in the United States in 2017 (64.9% of the

Chart 1.7: Geographical distribution of pension assets in the OECD area, 2017



total assets in the OECD area, with USD 28.2 trillion of assets), followed by the United Kingdom (6.7%, USD 2.9 trillion), Canada (6.1%, USD 2.6 trillion), Australia (4.1%, USD 1.8 trillion), the Netherlands (3.7%, USD 1.6 trillion), Japan (3.2%, USD 1.4 trillion) and Switzerland (2.3%, USD 1.0 trillion). The other 29 OECD jurisdictions shared the remaining 9.0% of assets (or USD 3.9 trillion).

Pension assets were also unevenly distributed within regions. South Africa was the only reporting country in Africa with more than USD 0.2 trillion of pension assets in 2017.

In some fast developing economies (e.g. China and India), the amount of pension assets still remained relatively low in 2017 compared to other countries.

The amount of pension assets compared to the size of the domestic economy provides an indication of the importance of funded and private pension systems at the national level. On average, pension assets accounted for 50.7% of GDP in the OECD area and 19.7% of total GDP in the sample of non-OECD jurisdictions

in 2017. The weighted average was even higher: 133.6% in the OECD area and 41.3% outside the OECD.

Denmark is at the top of the ranking among OECD countries with pension assets worth 208.4% of GDP, followed by the Netherlands (184.2%) and Iceland (164.5%). The amount of pension assets was below 20% of GDP in more than 50 jurisdictions, and even below 2% of GDP in 12 of these (including China, India and Indonesia). However, statistics for these countries often only cover a part of the system (e.g. enterprise annuity only for China, National Pension System schemes and the contributory scheme Atal Pension Yojana for India, and voluntary pension plans in Indonesia).

Pension assets grew in most countries in 2017. All countries experienced an increase of pension assets in 2017 in real terms, except in Egypt, Japan and Malaysia.

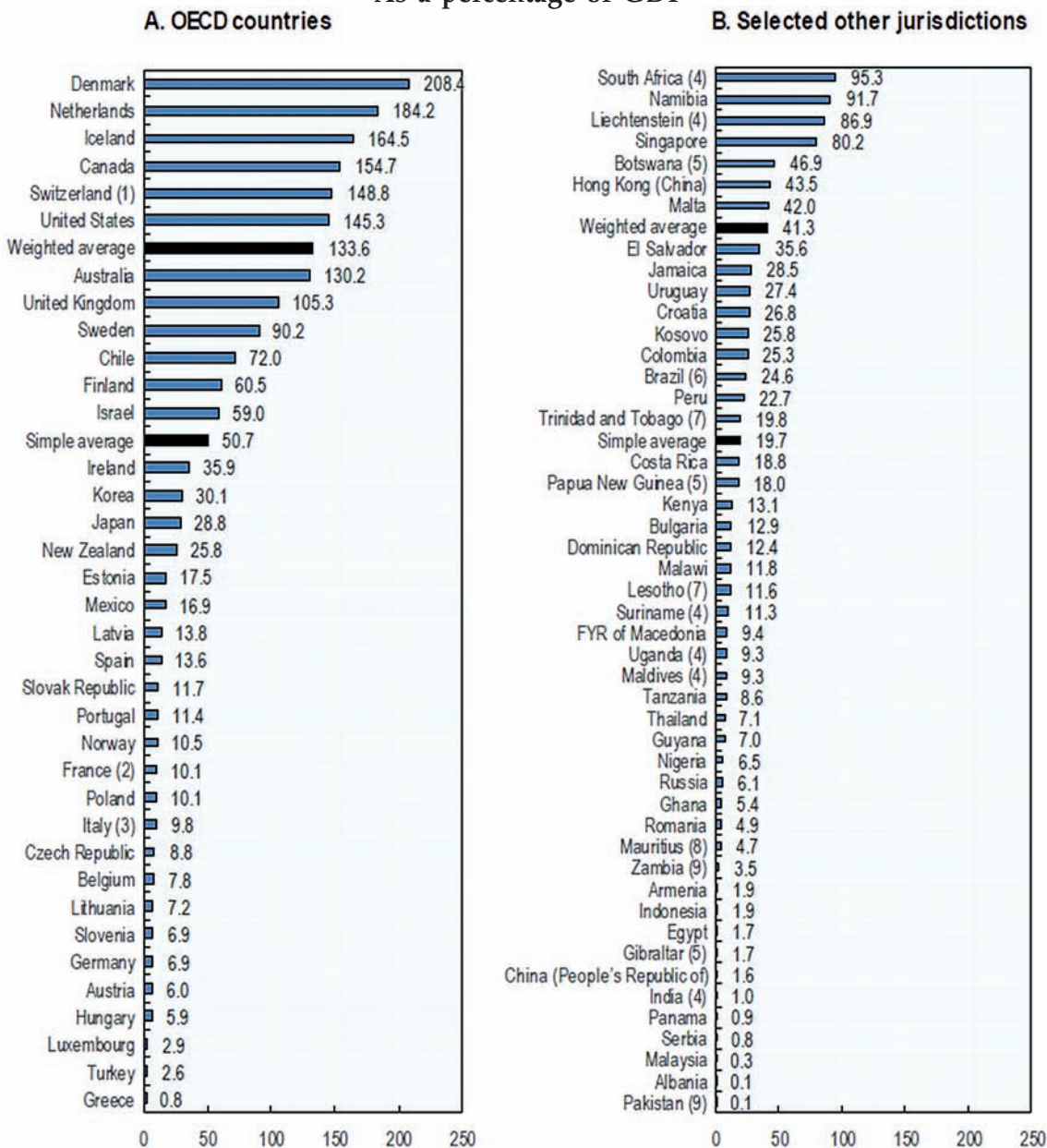
As per OECD report, the introduction of automatic enrolment has successfully led to higher coverage rates in New Zealand and the United Kingdom. The objective of automatic

enrolment programmes is to increase the participation of individuals in a pension plan. The number of members has kept increasing and the coverage of funded and private pension plans in New Zealand (68%) was close in 2017. The Department for Work & Pensions (DWP) in the United Kingdom found that the introduction of automatic enrolment in October 2012 improved the participation rate

of working-age adults in a pension plan.

The success of automatic enrolment was more limited in Italy as only 20% of the working age population was covered by a pension plan in 2017. Some other countries have also just introduced automatic enrolment programmes (e.g. Germany in 2018 for occupational defined contribution pension plans for private sector employees).

**Chart 1.8: The total assets in funded and private pension arrangements, 2017
As a percentage of GDP**



Source: OECD report October, 2018

1.4.1 Equities investments are the performers in 2017

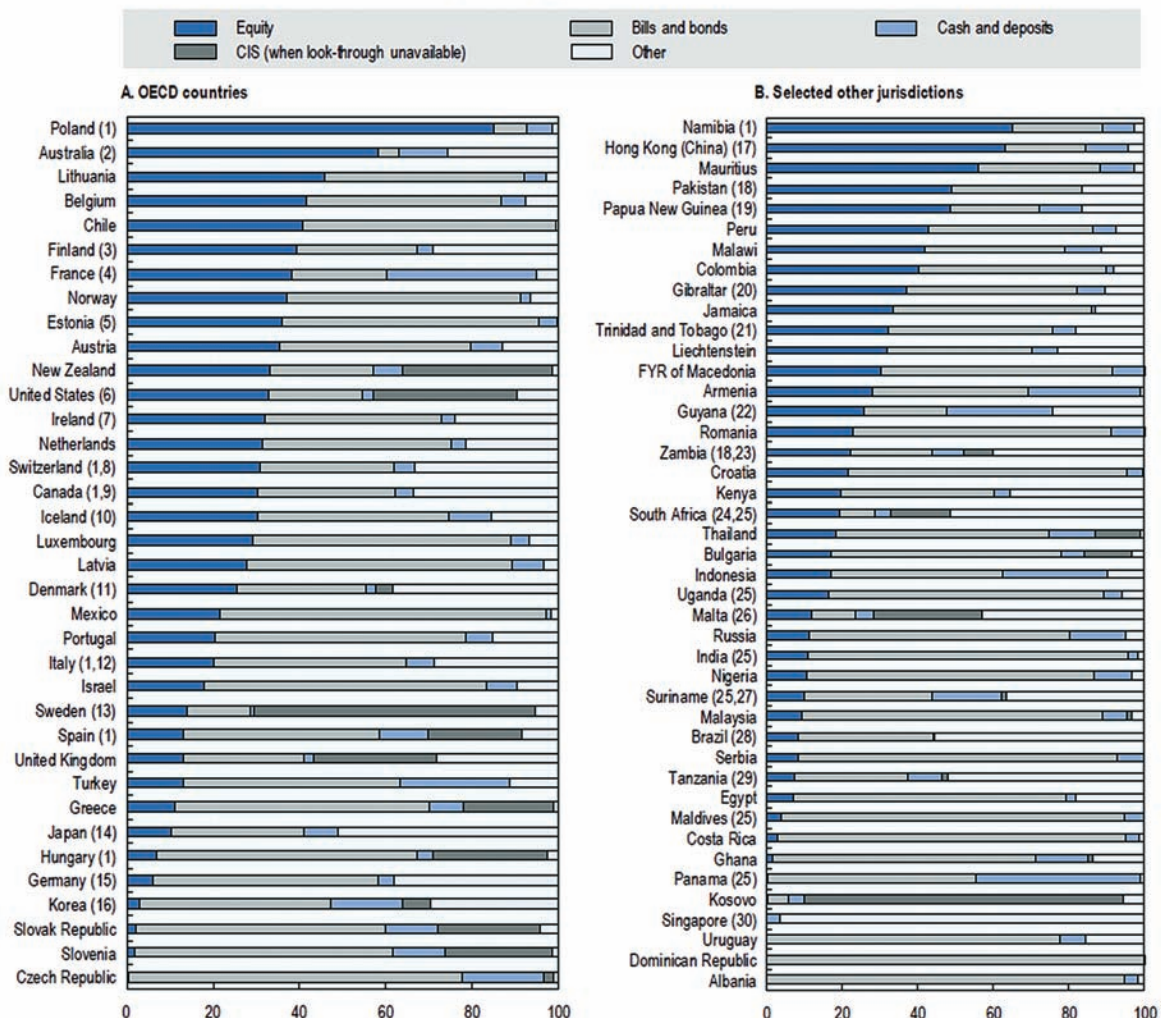
In most of the countries assets of pension funds were mainly invested in bills, bonds and equities. Asset managers invest in these instruments directly or indirectly through collective investment schemes (CIS). Bills, bonds and equities accounted for more than 50% of the investments of assets in pension funds in all countries in 2017, except Guyana, Kosovo, Japan and the United Kingdom. However, pension funds in Kosovo and the United Kingdom invested a significant share of their portfolios in CIS (respectively 89.4% and 28.5% of total investment) and the look-through of CIS investments is not available for these two

jurisdictions. The overall exposure to bills, bonds and equities for pension funds in these two jurisdictions is therefore likely to be higher.

Countries with the highest proportion of assets invested in equities were also those observing some of the highest real investment rates of return in 2017. Pension funds invested the most in equities in Australia (58.2%) and Poland (85.2%) among OECD countries; and Hong Kong (China) (63.4%), Namibia (65.1%) and Mauritius (56.0%) among non-OECD jurisdictions.

Mandatory provident funds in Hong Kong, China that exhibited the strongest real net investment rate of return worldwide in 2017, invested 70% of their assets in equities in 2017.

Chart 1.9: Allocation of pension assets in selected investment categories, 2017
As a percentage of total investment



1.5 Major Announcement for NPS in Budget 2018

In order to provide parity between an individual who is an employee and an individual who is self-employed, it is proposed to provide that the self-employed individual shall be eligible for deduction upto twenty per cent of his gross total income in respect of contribution made to National Pension System Trust.

1.6 Indian Demography and Old Age Income Security:

India is the second most populated country in the world. There are 29 states and 7 union territories in India the populations range massively in size - the largest, Uttar Pradesh, holds the highest population approximately 19.98 crore and the smallest state is Sikkim with approximately population of 6.10 lakh. India's demographic dividend makes it a young country and is expected to remain so for the next couple of decades. About 50% the population was under the age of 25 years. as per Census 2011, almost 90% of the population was below the age of 60 years and the working age population proportion stood at 44% in 2015. But the population is also ageing with each passing day.

As per WHO report, global life expectancy at birth in 2016 was 72.0 years (74.2 years for females and 69.8 years for males), ranging from 61.2 years in the WHO African Region to 77.5 years in the WHO European Region, giving a ratio of 1.3 between the two regions. Women live longer than men all around the world. The report reveals, India's life expectancy has also been on the rise - going from 62.5 in 2000 to 68.8 in 2016.

In India, traditionally, the pension was available mostly for the Government employees and to some organised sector workers. To extend the benefit of pension to the general public it was intended to have a pension system in place

which can facilitate and spread the coverage of Pension in the Country to secure the old age income. The United Nations Population Fund (UNFPA) report has pointed that in India, persons above 60 would increase from existing 8.9 per cent of the population to 19.4 per cent of the population and persons above 80 would increase from the existing 0.9 per cent to 2.8 per cent by 2050.

The rise in proportion of old aged persons and Government pensioners has put increasing pressure on the fiscal. Higher government spending on pensions and old age security has often crowded out expenditure on other important public goods and services and developmental sectors like education, health, infrastructure etc. A number of countries includes Greece have had to bear the impact of unsustainable pension liabilities on their entire economy.

Due to rising and unsustainable pension liabilities, in keeping with the global practices and after deep deliberations on the issue, Government made a conscious move to shift from the defined benefit pension scheme to the defined contribution pension scheme. Initially for the Government employees. The New Pension Scheme, now renamed as National Pension System (NPS) was introduced by the Government through a notification No. 5/7/2003-ECB & PR dated 22nd December, 2003 (copy enclosed) and it was made mandatory for Central Government employees (except armed forces) who join service w.e.f. 1-1-2004. The monthly contribution is 10% of the salary and DA to be paid by the employee and matched by the Government.

The National Pension System (NPS), which was introduced initially for the Central government subscribers, has now been adopted by all the state governments except West Bengal, and most of the Central and States autonomous bodies. NPS has also been extended to the

private and unorganized sector on voluntary basis from May 2009.

1.7 Indian Pension Landscape

The landscape of Indian pension system includes non-contributory social pension schemes financed by the Government to provide minimum level of protection like National Social Assistance Programme (NSAP), mandatory defined benefit pension scheme on pay-as-you-go basis like Civil Service Pension for employees who joined service before 2004, Employees' Provident Fund (EPF) and Employees' Pension Scheme (EPS) under the EPFO, other Statutory Provident Funds like Coal Mines, Seamen's Assam Tea Plantations etc. schemes, the National Pension System (NPS) for the Central government employees joining on or after 1st January 2004 on mandatory basis, Employees of those State Governments who have joined NPS, NPS for all citizens on voluntary basis covering both employees and self-employed including those in the unorganised sector, Public Provident Fund, retirement and superannuation plans offered by insurance companies and mutual funds.

The fiscal stress of the defined benefit pension system was the major factor driving pension reforms for Government employees and introduction of NPS for Government employees. Owing to the financial and practical difficulties of extending coverage to the unorganised sector through the mandatory scheme like EPF (specially for organized sector workers), voluntary retirement savings are seen as an important policy tool to extend the coverage of pension provision in India. The important policy measure to achieve a higher coverage of the unorganised sector workers under the pension system (about 88% of the total labour force of 47.29 crore workers is without any formal pension provision) is the extension of the

NPS, which is a financially self-sufficient, low cost and efficient system.

NPS introduced earlier for the government sector has also been extended to other segments, such as, autonomous bodies, State Governments and un-organised sector. NPS has been adopted resoundingly by the State Governments. Twenty Eight State Governments and Union Territories have notified adoption of NPS for their new employees. To encourage people from the unorganised sector to voluntarily save for their old age, Government had launched the co-contribution scheme - Swavalamban Scheme in September, 2010, Subsequently, Atal Pension Yojana (APY) was launched on 9th May, 2015 by the Prime Minister and the Scheme is being implemented with effect from 1st June, 2015 with the focus on unorganized sector. The subscribers under APY shall get a Government guaranteed pension of Rs. 1000, Rs. 2000, Rs. 3000, Rs 4000 or Rs. 5000 depending upon the contribution level opted by them. APY, a defined benefit pension scheme has a total of about 96.06 lakh subscribers and corpus of Rs. 3602 crore as on 31st March 2018. As on 31st March, 2018, 399 Banks are registered as APY - Service Providers which include Public Sector Banks, Pvt. Banks, Foreign Banks, Regional Rural Banks, District Commercial Banks, Schedule Commercial Banks, Urban Commercial Banks, Payment Banks and Department of Post.

Till 31st March 2018, a total of 211.78 lakh members/ subscribers have been enrolled under the NPS and APY. Assets Under Management which includes the returns on the corpus, under the NPS and APY have witnessed an increase from Rs. 1,74,561 crore as on 31st March 2017 to Rs. 2,34,579 crore as on 31st March, 2018, registering an increase of 34.38 percent. The number of Subscribers, Corpus and Assets Under Management under NPS are given in table below:

Table no 1.2: Number of Subscribers, Corpus and Assets Under Management under NPS/APY.
(As on 31st March 2018)

Sector	No. of subscribers (In Lakh)	AUM (Rs. crore)
Central Government	19.22	84954
State Government	38.68	115679
Corporate	6.96	21378
Unorganized	6.91	5744
NPS Lite/ Swavalamban	43.95	3006
APY	96.06	3818
Grand Total	211.78	234579

Source: NPS Trust

There has been a rapid growth in both NPS and APY schemes over the period. However, awareness of these schemes needs to be spread across the various segments of the society. Government support to these schemes in the form of tax benefits and guarantee for APY increases the appeal of these schemes but the schemes still require traction from the people, considering the vast population of the Country. The major challenge in extending the NPS to all citizens is increasing the awareness and financial literacy among potential subscribers. PFRDA has been taking several steps to increase the awareness through different mass media and capacity building programmes. PFRDA has also allowed registration of retirement advisors who have a responsibility to help the prospective as well as existing subscribers in deciding retirement plans and guide them toward a financially secure retirement.

Further, to ensure dissemination of NPS awareness, PFRDA has aggressively undertaken promotional and developmental activities by appointing a dedicated agency for imparting training and capacity building for officials of banks, post offices, POPs, Nodal Offices etc.

To improve ease of access to NPS for the potential subscribers and providers, PFRDA has leveraged technology across the value chain and launch of eNPS, Mobile apps, e-KYC etc.

are driving the efficiencies. Through e-NPS, a person can conveniently register & contribute online. Contribution facility for NPS is also available for the existing subscribers. eNPS facilitates opening of Individual Pension Account under NPS and making initial and subsequent contribution to the Tier I as well as Tier II account online. This feature also enables the subscribers to change their Pension Fund Managers, Asset Class, Allocation Ratio, and Scheme options after authentication. NPS subscribers can initiate withdrawal request from Tier II account by using their login credentials and OTP authentication on registered mobile number.

Further to have a systematic pension in the country, PFRDA is studying the automatic enrolment system, which has been adopted by various countries like New Zealand and United Kingdom. The bundling of other financial products like health and life insurance can also make the pension product more attractive.

1.8 A Brief on the review of the objectives of PFRDA during the year.

The preamble to the PFRDA Act 2013, lays down the objectives of the Authority as the promotion of old age income security, through regulation and development and protection of the interests of the subscribers.

PFRDA has been actively engaged in the promotion and development of National Pension system (all its variants) and Atal Pension Yojana, regulation and supervision of all intermediaries under NPS towards the overall objective of provision of old age income security and protection of subscriber's interest. While engaged in these activities, in keeping with the Preamble of PFRDA Act 2013 and the best global practices, the PFRDA endeavours to achieve the following broad objectives/outcomes:

- 1) Increasing Coverage
- 2) Security
- 3) Efficiency
- 4) Adequacy
- 5) Sustainability

Increasing Coverage

Provision of the old age income security to all sections of the population has been one of the important objectives of the Authority. While PFRDA Act 2013 mandates regulation of NPS, a number of variants of NPS have been introduced to cover different sections of the population viz Central Government, State Government, corporate, All citizens, NPS Lite, Atal pension Yojana (a GOI scheme, administered by PFRDA). The Authority has been engaged in expanding coverage through creation of mass awareness through Print, electronic and social media, engaging a training agency for imparting training and capacity building for officials of banks, post offices, POPs, Nodal Offices etc, appointment of retirement advisors etc, facilitating ease of on-boarding and transaction through eNPS etc. Consequently, the subscriber base under NPS has grown from 154.39 lakhs to 211.78 lakhs in FY2017-18 i.e a growth of 37%.

Security

PFRDA has put in place an extensive framework of regulations under the PFRDA Act 2013 to ensure the security of pension assets to minimize the risk to the pension funds that have been accumulated to provide retirement

benefits. These regulations include strenuous eligibility criteria for selection, detailed Corporate Governance frameworks, fit and proper criteria, extensive code of conduct, detailed roles and responsibilities, penalty structures for all intermediaries including pension funds to ensure the security of assets. These regulations have been reviewed and strengthened from time to time. In order to further strengthen the IT supervisory processes, the PFRDA, is focusing on implementation of cyber security, and will ensure the coverage.

Efficiency

It has been the Authority's endeavour to optimize the efficiency in the system through maximizing net-of-fee returns to the subscribers subject to acceptable risks. This has been done through review of the investment guidelines from time to time to optimize the returns. Introduction of two new life cycle funds viz LC 25 and LC 75 and introduction of a new Asset class "A" for private sector subscribers are some of the steps in this direction.

Efficiency also relates to the efficiency of the labor and capital markets, as each interacts with the pension system through direct contributions to pensions (through longer working lives and contributions, lower costs of capital, or greater financial inclusion) as well as through indirect contributions to jobs and investment. PFRDA has been actively engaged in financial inclusion through awareness creation for Swavalamban and APY subscribers in particular & NPS in general.

For capital markets, efficiency relates to capital market depth through the development of non-bank financial capital to fund productive investment and maximize the benefits of wider capital market reforms. PFRDA has been parts of inter regulatory groups and committees in furtherance of these objectives.

Adequacy

One of the important objectives of any pension system is ensuring that consumption smoothening of subscribers during their life cycle

i.e facilitating accumulation of retirement benefit entitlements that protect them from old age income poverty. While NPS is a defined contribution scheme, without guarantee of any benefits, however, as a measure of Good practice, Authority's endeavour has been to work towards ensuring adequate pension wealth on retirement, through various measures including increasing the age of contribution to NPS beyond 60 years, review of investment guidelines for optimizing returns, increasing contributions through engaging with Govt for tax concessions etc. Further going ahead, under voluntary sector viz All Citizen Model, Corporate Model has been allowed to onboard NPS even after 60 years of age.

1.9 Intermediaries under NPS

1.9.1 Intermediaries and other entities associated with National Pension System and other pension schemes covered under the Act

The National Pension System (NPS) works under an unbundled architecture with each function assigned to specialized entities in the field. The NPS architecture consists of Points of Presence (POP), Central Recordkeeping Agency (CRA), Trustee Bank, Pension Fund Managers (PFM's), NPS Trust, Custodian, Annuity Service Providers & Retirement Advisers.

Points of Presence (PoPs)

Points of Presence are banks and non-banking financial companies etc registered with PFRDA for registration and servicing of the subscribers to the NPS. A PoP is the first point of interaction between the subscriber and the NPS. The registered PoPs have authorized branches called POP-Service providers (PoP-SP) to act as collection points and extend services to customers,. The functions of the PoP include: Subscribers Registration, Processing subscriber contributions, change in personal details, change in investment scheme/fund manager, processing subscriber shifting from one model to the other, issuing printed account statement, processing of withdrawal/ exit request on superannuation etc.

Central Record-keeping Agency (CRA)

NSDL e-Governance Infrastructure Ltd. and Karvy Computer Share Pvt. Ltd. have been designated the CRAs for the NPS. Their main functions include:

- Maintaining subscriber records, administration and customer service functions.
- Issuing Permanent Retirement Account Number (PRAN) for each subscriber, maintaining the database of all PRANs and recording transactions relating to each PRAN.
- Acting as the interface between the various intermediaries of the NPS system. This includes monitoring contributions by each member and instructions and communication of the same to the pension funds. Periodically, they also send PRAN statement to each member.
- Providing a centralized grievance management system.
- Providing timely fund transfer to fund managers.
- Co-ordinate instructions with the trustee bank for remitting withdrawal funds to subscriber's account and to annuity service provider for the annuity scheme.

Trustee Bank

The trustee bank handles the flow of funds between various intermediaries under NPS. Presently, Axis Bank Ltd is the designated bank to facilitate fund transfers across subscribers, fund managers and the annuity service providers based on the instructions received from the CRA. The trustee bank receives funds from the nodal offices / PoPs/ Aggregators and reconciles it with the Subscriber contribution file. The trustee bank holds the funds in the name of the NPS Trust and the subscribers are the beneficial owners.

Pension Funds (PFs)

These are professional pension fund managers

appointed to invest, judiciously and prudently, the pension corpus in a portfolio of securities and manage them. Currently the pension fund managers for the All Citizens Model are - ICICI Prudential Pension Funds Management Company Ltd., LIC Pension Fund Ltd, Kotak Mahindra Pension Fund Ltd., Reliance Capital Pension Fund Ltd., SBI Pension Fund Pvt. Ltd., UTI Retirement Solutions Ltd, and HDFC Pension Management Co Ltd., Birla Aditya Sun Life Pension Management Limited. Their functions include:

- Investing the contributions as per the instructions provided by CRA.
- Constructing the scheme portfolio.
- Maintenance of books and records, reporting to authorities and making disclosures.

Custodian of Securities

The securities purchased from NPS corpus in the name of the NPS trust are held by the Custodian of Securities, who also facilitates securities transactions by making and accepting delivery of securities. The PFRDA has appointed the Stock Holding Corporation of India Ltd as the Custodian. The functions include:

- Having Custody of the Securities held in the name of NPS Trust, purchased out of NPS Corpus
- Maintaining details of securities held
- Collecting the benefits like dividend, rights, bonus etc. on securities
- Informing about the actions of the issuers of securities held that may impact the benefits.

NPS Trust

NPS Trust is a trust set up under the Indian Trusts Act, which holds the assets of the NPS for the benefit of subscribers. The trust has the fiduciary responsibility of taking care of the funds and protecting the subscriber interests. The NPS trust monitors and supervises the functioning of the Pension Funds and interacts

with other intermediaries like the Central Record Keeping Agency (CRA), Trustee bank, Custodians and other entities.

Annuity Service Providers

Annuity Service Providers (ASPs) are insurance companies regulated by IRDAI, and empanelled by the PFRDA to provide the annuity to the NPS subscribers from the bouquet of annuities offered by them. Presently five ASPs have been empanelled which are Life Insurance Corporation of India, HDFC Life Insurance Co. Ltd, ICICI Prudential Life Insurance Co. Ltd., SBI Life Insurance Co. Ltd., Star Union Dai-ichi Life Insurance Co. Ltd.

1.9.2 Types of Account

Under NPS following two types of accounts are available:

1. Tier-I account: Under Tier-I account the subscriber contributes his savings for retirement/ pension into this partially-withdrawable account. Premature withdrawals are allowed subject to certain conditions.
2. Tier-II account: This is a voluntary savings facility. Where the subscriber is free to withdraw the savings from this account whenever he/she wishes.

Beside the above Schemes under the NPS, PFRDA also administers and regulates the Atal Pension Yojana.

- Government subscribers have increased from 51.21 lakh as end of March 2017 to 57.89 lakh subscribers as end of March 2018, registering an increase of 6.68 lakh (13.04%).
- Under Private sector, number of corporate subscribers has increased from 5.86 lakh to 6.96 lakh, an increase of 1.10 lakh (18.77%) subscribers. The subscribers under UoS/All Citizen have increased from 4.37 lakh as end of March 2017 to 6.92 lakh as end of March 2018, an increase of 2.55 lakh (58.35%) subscribers

**Table: 1.3 Performance Highlights of National Pension System/
Atal Pension Yojana during FY 2017-18.**

(In numbers)

Measures	2016-17	2017-18	Growth (%)
Government Subscribers	51,21,225	57,89,217	13.04
All Citizen + Corporate Subscribers	10,24,747	13,87,401	35.39
APY Subscribers	48,63,699	96,05,713	97.50
No. of POP-SPs	69,005	79,640	15.41
No. of APY-SPs	397	399	0.05
No. of CABs	528	545	3.21
No. of SABs	806	1078	33.74
No. of Corporates	3,429	4,559	32.95
No. of officials trained	23,923	65,520	173.88

- No. of APY subscribers have almost doubled from 48.63 lakh subscribers at end of March 2017 to 96.06 lakh at end of March 2018. In percentage terms, it witnessed a growth of 97.53%.
- PoP-SPs increased from 69005 as end of March 2017 to 79640 as end of March 2018.
- The no. of Service Providers for APY has marginally increased from 397 as end of March 2017 to 399 as end of March 2018, registering a growth of 0.05 %.
- All employees of Central Government along with CABs and SABs and state governments which have adopted NPS are mandatorily covered under NPS. However, there are number of CABs and SABs which have not yet registered in NPS. This year 17 new CABs and 272 SABs have been brought under NPS taking total no. of CABs and SABs to 545 and 1078, respectively.
- Corporate sector offers NPS to their employees on mandatory or voluntary basis. As end of March 2018, total 4559 corporates are registered under NPS against 3429 corporates as end of March 2017.
- To further the cause of fulfilling PFRDA's mandate of creating awareness about the need of saving for retirement and retirement planning, PFRDA undertakes various activities including imparting training through training agencies selected by PFRDA. These training agencies impart training to the Central and State Govt. nodal officers- Pay & Accounts Offices (PAOs), Drawing & Offices (DDOs), Points of Presence/ banks/ Post Offices aggregators, etc. involved in the registration of subscribers, about the salient features of the NPS / APY, the process of joining etc. Further, training workshops/ camps have been organized for subscribers across the sector and geography as a part of a wider financial consumer protection policy. Total 1688 training sessions were conducted and 65520 officials were trained during the year.

Part II

Investment of Funds under NPS

This chapter deals with the investments of funds under NPS and other pension schemes covered under the Act, and the extent of exposure in the National Pension System, in different categories of investments including Government securities, debt securities and equities in accordance with Appendix II of the Pension Fund Regulatory and Development Authority (Reports, Returns and Statements) Rules, 2015.

2.1 Pension Funds (PFs)

The management of the assets under NPS and any other scheme regulated / administered by PFRDA is done by professional fund managers appointed exclusively for this purpose.

2.1.1 Functions of Pension Funds

The functions of the Pension Funds include:

- a. Professional investment of assets under management as per investment guidelines prescribed by the Authority and in the best interest of subscribers.
- b. Scheme portfolio construction as per laid out schemes by the Authority.
- c. Maintenance of books and records of its operations.
- d. Reporting to the Authority and NPS Trust at periodical interval.
- e. Public disclosure.

2.1.2 List of Pension Funds (PFs) for Government Sector NPS Schemes (i.e. CG and SG), and APY.

- i) LIC Pension Fund Limited
- ii) SBI Pension Funds Pvt. Ltd
- iii) UTI Retirement Solutions Ltd

The investment management fee charged by Pension Funds for managing the Govt. employees NPS portfolio is presently 0.0102 per

cent per annum of the assets under management.

2.1.3 List of Pension Funds (PFs) for Private Sector NPS schemes

- i) HDFC Pension Management Co. Ltd.
- ii) ICICI Prudential Pension Fund Management Co. Ltd.
- iii) Kotak Mahindra Pension Fund Ltd.
- iv) LIC Pension Fund Ltd.
- v) Reliance Capital Pension Fund Ltd.
- vi) SBI Pension Funds Pvt. Ltd
- vii) UTI Retirement Solutions Pvt. Ltd
- viii) Aditya Birla Sun Life Pension Management Limited

The Investment management fee charged by Pension funds for the non-govt. sector portfolio is 0.01 per cent per annum of the assets under management.

2.2 Schemes

Presently the following Scheme(s) under National Pension System managed by the Pension Funds are operative:

- a) **Scheme applicable to Central Government Employees and employees of Central Autonomous Bodies** - called as the CG scheme- wherein the maximum permitted exposure to Asset class E (Equity) is 15%, to Asset class C (Corporate Bond) is 45% and to Asset class G (Government Securities) is 50%. The individual subscribers do not have the choice of asset allocation or pension funds. The Assets under management are distributed across three pension

funds viz LIC pension Fund LIC Pension Fund Limited, SBI Pension Funds Pvt. Ltd and UTI Retirement Solutions Ltd as per directions of the Authority in accordance with the last year returns. The Assets under management for the FY 2017-18 have been allocated to SBI Pension Fund Pvt. Ltd, UTI Retirement Solution Ltd. and LIC Pension Fund Ltd. in the ratio 35.00:33.50:31.50

b) Scheme applicable to State Govt. employees and employees of State Autonomous bodies - called as the SG scheme- This follows the same investment pattern and pension funds as the CG scheme. The individual subscribers do not have the choice of asset allocation or pension funds. The Assets under management for the FY 2017-18 have been allocated in to SBI Pension Fund Pvt. Ltd, UTI Retirement Solution Ltd. and LIC Pension Fund Ltd. in the ratio 35.00:33.50:31.50

c) Schemes applicable to Individuals and Corporates:-

The following schemes are applicable to the individual and corporate subscribers:-

1. NPS- Lite Scheme - This follows the same asset allocation pattern as the CG scheme. However, the aggregators can choose any one pension fund from the eight pension funds.
2. APY Scheme: This follows the same asset allocation pattern as the CG scheme. The Assets under management are distributed across three pension funds viz LIC Pension Fund Limited, SBI Pension Funds Pvt. Ltd and UTI Retirement Solutions Ltd.
3. Corporate CG Scheme- This follows the same asset allocation as the CG scheme. However, the employer/ employee can choose one pension fund from the three public sector Pension Funds (i.e. to SBI Pension Fund Pvt. Ltd, UTI Retirement

Solution Ltd. and LIC Pension Fund Ltd.). This scheme has been closed for any fresh employees.

4. E-C-G-A pattern for Tier I & Tier II - The assets are invested in Equity, Corporate Bonds, Government Securities and Alternative Investment Funds SEBI Regulated 'Alternative Investment Funds' AIF (Category I and Category II only) as defined under the SEBI (Alternative Investment Fund) regulations 2012.

The details of the schemes wise asset under management in given in the table below:-

Table 2.1: Details of Asset under Management

(Amt. in Rs. Crores)

Scheme	Mar-17	Mar-18*	% Growth
CG	67040	84955	
SG	85172	115989	
Subtotal	152212	200944	32.02%
Cor.CG	10754	14846	
E-I	2539	4308	
C-I	1685	2847	
G-I	2507	4243	
A-I	1	7	
E-II	126	218	
C-II	101	162	
G-II	112	181	
NPS Lite	2639	3006	
APY	1885	3818	
Subtotal	22349	33635	50.50%
Grand Total	174561	234579	34.38%

*Source NPS-Trust

Note for March 2018:

1. Damodar Valley Corporation 309.94 cr is shown under SG
2. Corporate CG does not include AUM of Damodar Valley Corporation

The table above indicate that the asset under management for government sector NPS schemes (CG and SG) has grown by around 32%, however the asset under management of

the schemes other than these two schemes has grown by around 50%. Though in absolute terms government sector schemes grew by Rs. 48,732 crores whereas other schemes in aggregate grew by Rs. 11,286 crores.

As explained above, the different schemes are managed by different Pension Fund managers, the details of asset under management of various schemes under the respective Pension Funds are given below:-

Table 2.2: Pension Fund wise and scheme-wise Asset under Management as on March 2018

(Amt. in Rs. Crores)

Pension Fund Schemes	SBI	LIC	UTI	ICICI	Reliance	Kotak	HDFC	Birla	Total
CG	30222.90	26379.37	28352.47						84954.74
SG	39482.12	38095.12	38411.37						115988.61
Corporate-CG	12260.16	2586.14							14846.30
A-I	1.63	0.39	0.38	1.36	0.08	0.55	2.03	0.11	6.53
E-I	1578.49	355.58	225.39	885.47	78.25	175.26	998.13	11.64	4308.21
C-I	1077.81	231.72	139.80	579.58	52.61	121.28	636.99	6.76	2846.55
G-I	1912.47	342.59	209.06	696.74	79.45	154.08	841.21	7.49	4243.09
E-II	72.19	8.98	15.34	61.03	9.42	16.14	33.11	1.58	217.79
C-11	54.06	6.51	9.87	50.40	4.79	10.02	25.59	0.92	162.16
G-II	67.07	8.77	11.81	50.91	6.40	12.30	23.28	0.93	181.47
NPS/ Swavlamban	1252.15	859.27	847.85			46.55			3005.82
APY	1302.10	1255.84	1259.93						3817.87
Total	89283.15	70130.28	69483.28	2325.49	231.00	536.18	2560.34	29.43	234579.15

Source: NPS trust

2.3 Exposure of various schemes regulated and administered by PFRDA to different categories of investments

- a) The maximum prescribed exposure , as

per the investment guideline of PFRDA in respect of the portfolio under CG, SG, Corporate CG and NPS Lite and APY scheme in various investment instruments has been provided in the table below:

Category	Asset class / instruments	Maximum exposure
i	Government Securities and Related Investments including State Development loans	50%
ii	Debt Instruments and Related Investments	45%
iii	Short term Debt Instruments and Related Investments	5%
iv	Equities and Related Investments	15%
v	Asset Backed, Trust Structured and Miscellaneous Investments	5%

b) Subscribers opting for the schemes other than the Government sector schemes (CG and SG), NPS Lite, corporate CG and APY, can decide the allocation of their assets in Asset class E, (Equity), C (Corporate Debt) & G (Government Securities) and Asset class A (Alternate Assets). However, this allocation is restricted for Asset class E and Asset class A. The ceiling on in Asset Class E (Equity), and Asset class A (Alternate

Assets) is 50 per cent, and 5% respectively. Subscribers can also allocate, entire corpus in Asset class C (Corporate Debt) & Asset class G (Government Securities). In case of Tier II accounts, no investment is permitted in Asset class A, other prudential ceilings remaining the same.

The asset class wise bifurcation of the assets under management as on March, 2018 visa vis March 2017 is given below:-

Table 2.3: Asset Class wise bifurcation of Asset Under Management

Asset Class	31-Mar-17		31-Mar-18	
	Amount (Rs in Crore)	% of Investment	Amount (Rs. in Crore)	% of Investment
G-Sec	83674	47.93%	113230	48.27%
Corporate Bond	61470	35.21%	80572	34.35%
Equity	23557	13.49%	32703	13.94%
Money Market	2014	1.15%	2760	1.18%
Cash & Net Current Assets	3846	2.20%	5,314	2.26%
Total	174561		234579	

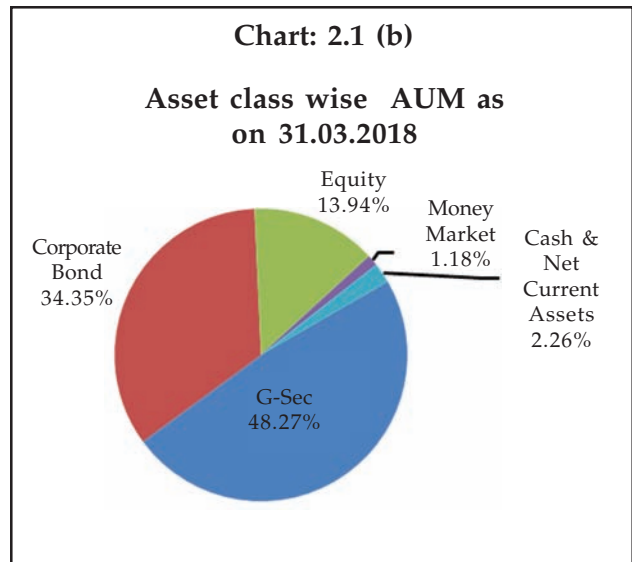
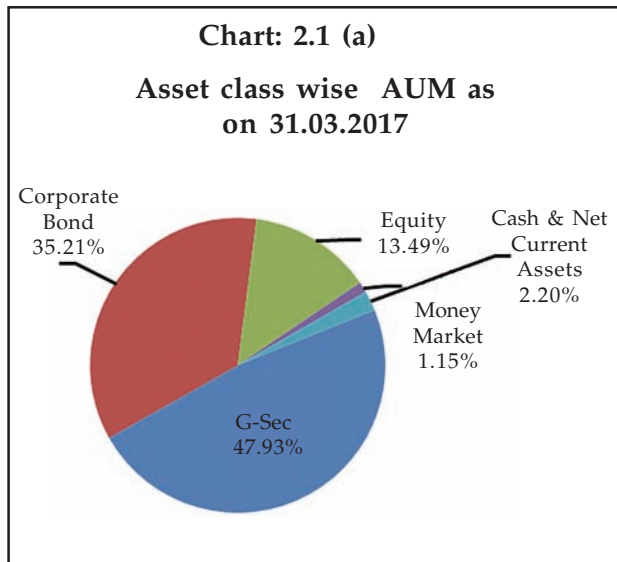
Source: As per reports received from NPS Trust.

The above table and figure indicates marginal shifting of the asset allocation from asset class C to asset class G & E. The exposure to asset class E has increased to 13.94% as on 31st March 2018 from 13.49% at the end FY

2016-17. Further, the percentage exposure to Govt. Securities has also increased from 47.93% at the end of March 2017 to 48.27% as on March 2018. The exposure to asset class G has increased to 48.27% as on 31st March 2018 from 47.93%

at the end FY 2016-17. Further, the percentage exposures to money market and other asset have

shown marginal movement.



2.4 Regulations, Notification, issuance of major circulars / Guidelines w.r.t. Pension Fund

1. Clarification with respect to advisory for all the Pension Funds and Custodian regarding investment in mutual Funds schemes.

For the better cash flow management, Pension Funds are allowed to hold the investments in liquid mutual funds scheme in physical form as opposed to Demat form in case of the other mutual funds subject to overall ceiling on money market instrument as stipulated in investment guidelines. This is applicable for existing as well as incremental investments in liquid mutual funds.

2. The Investment guidelines for NPS schemes (other than Govt. Sector (CG & SG), Corporate CG, NPS Lite and APY) w.e.f 08.05.2017.

This circular has some clarification and amendments in subsequent FY which are available on PFRDA's website. The circular can be accessed by visiting the following link <https://www.pfrda.org.in/>

myauth/admin/showimg.cshtml?ID=1159.
 Related circular: Clarifications on Investment guidelines dated 04.05.2017 (w.e.f. 08/05/2017) for NPS schemes { other than Govt. Sector (CG & SG), Corporate CG, NPS Lite and APY}.

3. PFRDA had issued guidelines on outsourcing of activities by Pension Funds, these guidelines are issued to clarify the core and non-core activities (mentioned under Regulation 12(I) of the Pension Fund Regulations) in relation to the activities performed by a pension fund registered by the Authority.

Part- III

The chapter deals with duty, power and functions of the Authority for promotion and orderly growth of the National Pension System and pension schemes in accordance with Section 14 of Pension Fund Regulatory and Development Authority Act, 2013 to protect the interests of subscribers of such System and schemes.

Functions of the Authority

3.1 Registration of intermediaries and suspension, cancellation, etc., of such registration; and regulation of activities of the intermediaries associated with the National Pension System or the pension schemes

Section 14 of the PFRDA Act, 2013 lays down the duties, powers and functions of the Authority to regulate, promote and ensure orderly growth of the National Pension System and pension schemes, and to protect the interests of subscribers of such system and schemes.

The National Pension System and any other Pension Scheme not regulated by any other enactment are operationalized by PFRDA through large number of entities such as Pay & Accounts offices / Treasury Offices at the Central and State government which are responsible for the registration and upload of the periodic NPS subscription of the Government employees on the NPSCAN, the Point of Presence (PoPs) which are banks, non-banking financial companies (NBFC), micro finance institutions (MFI) etc. which assist in the registration and upload of NPS subscription for the corporates, private sector and unorganised sector employers, the aggregators which help in the last-mile reach to the potential subscribers particularly in the informal sector, the Central Record Keeping Agency (CRA), which is responsible for the recordkeeping of individual pension accounts called PRAN of the subscribers and acts as a coordinator for the NPS architecture, Trustee Bank, responsible for the day-to-day flow of funds and banking facilities, the Pension Funds (PFs), mandated to invest and

manage the pension assets of the subscribers covered under NPS as per the investment guidelines prescribed by PFRDA and annuity service providers (ASPs), empanelled with PFRDA to provide a monthly annuity pension to the subscriber.

As per CRAs, as on 31st March, 2018 there are 4,704 Pay & Account Offices and 433 Directorate of Treasury & Account Offices (DTA), 70 PoPs, 52 Aggregators, two Central Recordkeeping Agency, one Trustee Bank, eight Pension Funds and five Annuity Service Providers.

The Certificate of Registration were issued to followings PoP/PoP-SE/PoP-Corporate as per POP regulations 2015 & its subsequent amendments in FY 17-18:

- (i) PoPs - 5
- (ii) PoP-SEs - 4
- (iii) PoP-Corporate - 1

During FY 17-18, 10 Certificate of registration were issued for re-registration of the Aggregators as per PFRDA (Aggregator) Regulations, 2015.

During the FY 2017-18, 32 Individual Retirement Advisors & 4 other than Individual Retirement Advisors were registered under the NPS architecture. There were 4 deregistration under the Individual category.

PFRDA had issued extension to NSDL-CRA for one year i.e upto 30th November, 2018.

De-registration process initiated against 11 Aggregator which have either not applied for re-registration or applied for de-registration and de-registration of 3 aggregators was completed.

3.2 Approval of schemes, the terms and conditions thereof including norms for the management of corpus of the pension funds and investment guidelines under such schemes

Presently the following Scheme(s) under

National Pension System managed by the Pension Funds are operative:

Scheme applicable to Central Government Employees and employees of Central Autonomous Bodies - called as the CG scheme- wherein the maximum permitted exposure to Asset class E (Equity) is 15%, to Asset class C (Corporate Bond) is 45% and to Asset class G (Government Securities) is 50%. The individual subscribers do not have the choice of asset allocation or pension funds. The Assets under management are distributed across three pension funds *viz* LIC Pension Fund Limited, SBI Pension Funds Pvt. Ltd and UTI Retirement Solutions Ltd as per directions of the Authority in accordance with the last year returns. The Assets under management for the FY 2017-18 have been allocated to SBI Pension Fund Pvt. Ltd, UTI Retirement Solution Ltd. and LIC Pension Fund Ltd. in the ratio 35.00 : 33.50 : 31.50.

Scheme applicable to State Govt. employees and employees of State Autonomous bodies - called as the SG scheme- This follows the same investment pattern and pension funds as the CG scheme. The individual subscribers do not have the choice of asset allocation or pension funds. The Assets under management for the FY 2017-18 have been allocated in to SBI Pension Fund Pvt. Ltd, UTI Retirement Solution Ltd. and LIC Pension Fund Ltd. in the ratio 35.00 : 33.50 : 31.50

Schemes applicable to Individuals and Corporates:-

The following schemes are applicable to the individual and corporate subscribers:-

- i) NPS- Lite Scheme - This follows the same asset allocation pattern as the CG scheme. However, the aggregators can choose any one pension fund from the eight pension funds.
- ii) Corporate CG Scheme- This follows the same asset allocation as the CG scheme. However, the employer/ employee can chose one pension fund from the three

public sector Pension Funds (i.e. to SBI Pension Fund Pvt. Ltd, UTI Retirement Solution Ltd. and LIC Pension Fund Ltd.). This scheme has been closed for any fresh employees.

- iii) E-C-G-A pattern for Tier 1 & II - The assets are invested in Equity, Corporate Bonds, Government Securities and Alternative Investment Funds SEBI Regulated 'Alternative Investment Funds' AIF (Category I and Category II only) as defined under the SEBI (Alternative Investment Fund) regulations 2012.
- iv) Transfer of amount from recognized Provident Fund/Superannuation Fund to National Pension System. As per provisions of the Income Tax Act, 1961 the amount so transferred from the recognized provident fund/ Superannuation fund to NPS is not treated as income of the current year and hence not taxable. Further, the transferred recognized provident fund/ superannuation fund will not be treated as contribution of the current year by employee/employer and accordingly the subscriber would not make IT claim of contribution for his transferred amount
- v) Revision in Investment guidelines vide circular no PFRDA/2017/18/PF/2 dated 04.05.2017

3.3 Exit of subscribers from the National Pension System

3.3.1 As per PFRDA (Exits & Withdrawals under NPS) Regulations 2015, following Withdrawal categories are allowed:

- **Upon Normal Superannuation** - At least 40% of the accumulated pension wealth of the Subscriber has to be utilized for purchase of an Annuity providing for monthly pension to the Subscriber and the balance is paid as lump sum to the Subscriber.

- **Upon Death** - At least 80% of the accumulated pension wealth of the Subscriber has to be utilized for purchase of an Annuity providing for monthly pension to the Spouse and the balance is paid as lump sum to the nominee/legal heir.
 - **Pre-mature Exit** - At least 80% of the accumulated pension wealth of the Subscriber has to be utilized for purchase of an Annuity providing the monthly pension to the Subscriber and the balance is paid as a lump sum to the Subscriber.
- For the purpose of exit from the NPS, the subscribers are categorized and defined as: (1) Government sector, (2) All citizens including corporate sector and (3) NPS- Lite and Swavalamban subscribers. The exit regulations specified shall apply accordingly to the category to which the subscribers belong.

Table 3.1: No. of withdrawal reported, accepted & Settled during April 1, 2017 to March 31, 2018

(Actuals)

Sr. No.	Sector	Online Withdrawal			Physical Withdrawal		
		Reported *	Accepted \$	Settled	Reported #	Accepted ***	Settled
1	Central Government	3,497	3,412	3,351	-	83	83
2	State Government	10,803	10,237	11,073	-	119	119
3	UOS	2,603	2,349	2,224	-	7	7
4	Corporate	1,041	1,031	919	-	11	11
5	NPS Lite	16,593	16,805	16,680	-	120	120
	Total	34,537	33,834	34,247[^]	-	340	340

Note:

* **Online Withdrawal:** Reported implies the cases authorized by Nodal Office and pending for authorization by Nodal Office.

\$ **Online Withdrawal:** Accepted implies the cases where Nodal Office has authorized the withdrawal request in CRA system.

Physical Withdrawal: Reported implies the cases where CRA has received the physical

withdrawal requests from Nodal Office/Subscriber till April 30, 2016.

*** **Physical Withdrawal:** Accepted implies the cases which were On Hold at CRA and for which necessary documents received from Nodal Office/Subscriber.

[^]Some cases pertain to accepted cases of previous years.

Table 3.2: Withdrawal claims outstanding as on March 31, 2017 & March 31, 2018.

(Actuals)

Sr. No.	Sector	Physical Withdrawal Pending		Online Withdrawal Pending	
		As on March 31, 2017	As on March 31, 2018	As on March 31, 2017	As on March 31, 2018
1	Central Government	884	-	464	464
2	State Government	867	-	1,143	1,605
3	UOS	81	66	214	423
4	Corporate	36	18	77	70
5	NPS Lite	726	394	367	122
	Total	2,594	478	2,265	2,684

Note:

Physical Withdrawal: Withdrawal claims outstanding at the end of the year are the cases where Subscriber/Nodal Office is yet to submit necessary documents to CRA.

Online Withdrawal: Withdrawal claims outstanding at end of the year are the cases where Nodal Office is yet to authorize the withdrawal request in CRA system.

It has been observed that in majority of the cases the withdrawal applications pending for processing is due to missing/ inadequate documents submitted by the subscribers or the Nodal Offices.

3.3.2 Partial Withdrawal under NPS

NPS subscribers can do partial withdrawals, not exceeding 25 percent of the contribution made by the subscriber for higher education and marriage of children, purchase / construction of a house and medical treatment of specified illnesses on completion of 3 years from the date of joining of the NPS. The subscriber ought to be subscribed to the National Pension System, at least for a period of three years from the date of his or her joining to such system, to be eligible to make partial withdrawals, under specific circumstances as specified in PFRDA (Exits & Withdrawals under NPS) Regulations 2015.

Table 3.3 No. of Partial withdrawal cases reported & Settled during the period from April 1, 2017 to March 31, 2018

(Actuals)

Partial Withdrawal				
Sr. No.	Sector	Reported *		Settled**
		Initiated By Nodal Office #	Approved By Nodal Office	
1	Central Government	3,037	1,984	1,978
2	State Government	2,591	1,481	1,473
3	UOS	49	8	7
4	Corporate	396	81	77
	Total	6,073	3,554	3,535

Note:

* Reported cases includes authorized by Nodal Office and pending for authorization by Nodal Office.

**Settled cases are where funds have been transferred to subscriber's bank account

Cases Initiated by Subscriber is also added in Initiated by Nodal Office

3.4 Details of Annuity Service Providers (ASPs) and Annuity Schemes opted by subscribers

Annuity provides for a monthly payment of pension against deposit of a lump sum amount.

The subscriber has to mandatorily purchase the annuity as specified in the exit rules of NPS, from a PFRDA empanelled Annuity Service Providers.

Annuity Service Providers are Insurance Regulatory and Development Authority (IRDA) licensed and regulated life insurance companies, transacting annuity business in India and these are empanelled by PFRDA for servicing the annuity requirements of the NPS subscribers.

The following 5 ASPs are providing the Annuity services to NPS subscribers.

- Life Insurance Corporation of India

- b) SBI Life Insurance Co. Ltd. Under National Pension System (NPS), the subscriber has the option to choose the type of Annuity and the Annuity Service provider. The subscriber may choose the annuity type/scheme basing on his requirements from the available schemes offered by the respective ASPs.
- c) ICICI Prudential Life Insurance Co. Ltd.
- d) HDFC Standard Life Insurance Co Ltd
- e) Star Union Dai-ichi Life Insurance Co. Ltd.

Table 3.4: Online Annuity requests processed during April 1, 2017 to March 31, 2018

Sr. No.	Annuity Service Providers/Annuity Schemes	No. of Cases	Amount Transferred (in Rs.)
HDFC Life Insurance Co. Ltd			
1	Annuity for life with return of purchase price on death	221	195,617,940.32
2	Annuity for life	112	21,053,869.30
3	Annuity payable for life with 100% annuity payable to spouse on death of annuitant with return on purchase of annuity	103	54,099,743.25
4	Joint Life Annuity with 100% annuity to the secondary annuitant	85	22,267,983.64
	Sub-Total	521	293,039,536.51
Life Insurance Corporation of India			
1	Annuity payable for life with 100% annuity payable to spouse on death of annuitant with return on purchase of annuity	506	181,952,150.84
2	Annuity for life with return of purchase price on death	455	170,537,176.23
3	Annuity payable for life with 100% annuity payable to spouse on death of annuitant	679	173,252,617.68
4	Annuity for life	539	145,550,646.10
	Sub-Total	2,179	671,292,590.85
SBI Life Insurance Co. Ltd.			
1	Annuity for life with return of purchase price on death	66	28,121,890.00
2	Annuity payable for life with 100% annuity payable to spouse on death of annuitant	75	24,645,891.00
3	Annuity for life	72	21,122,596.00
4	Annuity payable for life with 100% annuity payable to spouse on death of annuitant with return on purchase of annuity	40	16,361,881.00
5	NPS - Family Income Option	4	1,884,501.00
	Sub-Total	257	92,136,759.00

ICICI Prudential Life Insurance Company Ltd			
1	Annuity for life with return of purchase price on death	9	3,904,570.20
2	Annuity for life	10	2,578,814.06
3	Annuity payable for life with 100% annuity payable to spouse on death of annuitant with return on purchase of annuity	1	450,446.24
4	NPS - Family Income	1	236,145.37
5	Annuity payable for life with 100% annuity payable to spouse on death of annuitant	6	1,502,429.74
6	Life Annuity guaranteed for a period of 5 years, 10 years or 15 years and thereafter for life	-	-
7	Life Annuity with return of Purchase Price on Critical illness (CI) or Permanent Disability due to accident(PD) or Death	-	-
8	Life Annuity with Return of Balance Purchase Price	-	-
9	Life Annuity with Return of Purchase Price in Parts	-	-
	Sub-Total	27	8,672,405.61
	Grand Total	3,296	1,192,679,936.63

3.4.1 Challenges faced in the purchase of annuity

- i. Non - availability of correct contact details of subscribers with ASPs.
- ii. Low financial awareness and literacy among the subscribers about annuity product.

The authority is regularly taking up the matter with empanelled annuity service providers and their regulator i.e. IRDAI for facilitating subscribers during the purchase of annuity, creating awareness on annuity products among subscribers and also bringing an online platform for making the annuity purchase process completely online.

3.5 Activities undertaken for protection of interests of subscribers under the National Pension System and of other pension schemes under the Act

One of the major objectives of PFRDA is protection of subscribers interest and PFRDA has been engaged in multifarious activities in

furtherance of this cause.

Measures taken to protect subscriber's interest:

- i) Trustee Bank is appointed to facilitate transfer of funds from Nodal Offices to Pension Fund Managers. The following measures have been undertaken to improve the system in order to protect the interest of subscribers:-

Return of Inward remittances:

Intimation about return of remittances to the respective Nodal Offices is sent through emails as well as physical letters. Apart from reasons for rejection of the remittances, remedial action and precautions to be taken by the nodal office is provided to them to avoid repetition of the errors and avoid return. This ensures timely investment of the contribution made by subscribers.

To reduce such fund return cases, a covering letter has been devised which is generated along with the SCF. The letter contains pre populated fields such as

- Tran ID, amount etc. which the Nodal Officer is to authorize and submit to its accredited banker for fund transfer to TB.
- ii) Opening of APY account through select bank internet banking channel & also through eNPS where no physical form is required to be submitted by the subscriber.
 - iii) With a view to increase the penetration of NPS and expanding the outreach, a forward step has been taken by reduction in the cost to applicant and increase in Retirement Advisor charges, now application fees for other than individuals for Retirement Advisors have been reduced from Rs. 5,000/- to Rs. 1,000/-, fee for letter of acceptance has been reduced from Rs. 10,000/- to Rs 5,000/- and requirement of security deposit has been reduced from Rs. 1,00,000/- to Rs. 50,000/-.
 - iv) Increase in maximum age of joining NPS from 60 years to 65 years in NPS - Private sector (All Citizen Model & Corporate Sector Model) and accordingly under auto choice, maximum amount has been allocated under G-Sec (viz under all circumstances exposure to equities and other is not more than 25% and the allocation is as LC 75- 75%, LC 50 -50% & LC 25-90%). Increase in the age of joining will certainly enhance the coverage under NPS.
 - v) During the FY 2017-18, there was also revision in the Service Charges to POP under NPS (All Citizen Model and Corporate Sector Model), the charges were revised keeping in view the impetus on the acquisition of subscribers, by service providers and to make it more competitive vis a vis other financial product in the market. Accordingly, the subscriber registration charges were increased from Rs. 125/- to Rs. 200/-. Also persistence charges were introduced
- in All Citizen Model with a view to encourage the service provider to pursue with already onboarded subscribers for contribution under NPS account. An incentive of Rs 50/- per annum per account is being offered to the concerned POP subject to certain condition as an incentive of persistence. There is increment in subsequent contribution collection charges, which has been increased from 0.05% to 0.10% of the contribution with min Rs. 5 to Rs. 10/- to Max Rs. 5,000/- to Rs. 10,000/-. All the above efforts have been taken to enhance the coverage of pension.
- vi) PFRDA's website serves the subscribers and potential subscribers with information and guidance materials including information on the protection of subscribers' rights and interests, regulations, circulars, pension schemes products, pension funds, intermediaries, exit and benefits.
 - vii) The website of the NPS Trust facilitate better dissemination of information regarding NPS that are useful for the subscribers at one place. NAV details, Returns of the schemes, Portfolio details of the schemes are disclosed for subscriber's information/comparison. Disclosure of Portfolio details are disseminated to the subscribers to ensure transparency.

3.6 Mechanism for redressal of grievances of subscribers and activities undertaken for redressal of such grievances

NPS has a multi-layered Grievance Redressal Mechanism centralized at Central Recordkeeping Agency (CRA), which is easily accessible, simple, quick, fair, responsive and effective. The Regulations have provided for four level escalation matrix for resolving subscriber grievance. Subscribers have the option of registering grievance/complaints through Call centre/ Interactive Voice Response System (IVR), web based interface,

physical forms. Subscriber can check the status of the grievance at the CRA website www.cransdl.co.in for the grievances logged in through Central Grievance Monitoring System (CGMS) maintained by CRA or through the Call Centre by mentioning the token number. Subscriber can also raise a reminder through any one of the modes mentioned above by specifying the original token number issued. If subscriber does not receive any response within Thirty (30) days or is not satisfied with the resolution by intermediary, in such case subscriber can escalate the grievance to NPS Trust. Similarly,

if the subscriber is not satisfied with the response or no response has been received within 30 days, subscriber can escalate the grievance to Ombudsman. The subscriber can also appeal to designated member of PFRDA if they are not satisfied with the order passed by the Ombudsman. Shri Vinod Kumar Pande is currently appointed as Stipendiary Ombudsman.

The position of Grievances received during the year at CGMS as on March 31, 2018 and its status is furnished in the table below:

Table 3.5: Grievances received and closed in CGMS during April 1, 2017 to March 31, 2018.

(Actuals)

Sr. No	Sector	Pending As on 31 st March 2017	Received Till 31 st March 2018	Resolved Till 31 st March 2018
1	NPS regular	4,075	156,436	154,414
2	NPS Lite	841	4,487	5,086
3	APY	6,348	34,183	39,035
	Total	11,264	195,106	198,535

Notes:*Referrals opted as Grievance by the subscriber in CGMS.

The position of Grievances received to various intermediaries during the year at CGMS as on

March 31, 2018 and its status is furnished in the table below:

Table 3.6: Grievances received and closed in different sectors in CGMS during April 1, 2017 to March 31, 2018.

(Actuals)

Sr. No	Referrals Raised Against	Pending As on 31 st March 2017	Received till 31 st March 2018	Resolved till 31 st March 2018
1	Central Government	1,073	4,212	4,472
2	State Government	884	6,145	6,428
3	POP	869	14,073	13,956
4	Corporate	5	25	24
5	Trustee Bank	198	31	24
6	NPS Lite (Aggregators)	837	2,311	2,973
7	APY (APY-SP)	6,348	26,205	31,285
8	eNPS	75	17,964	17,661
9	CRA	688	122,519	121,038
10	NPS Trust	287	1,621	674
	Total	11,264	195,106	198,535

The major grievances received are related to Contribution amount not reflected in account, SOT Related, PRAN Card Related, Incorrect Processing of Subscriber Details, Delays in Uploading of Contribution Amounts etc. Grievances are registered in CGMS by the subscriber and are directly routed to concerned intermediaries for necessary action. Thus, it is for the concerned intermediaries to resolve and close grievance in CGMS raised against them. The periodic reminders are sent to concerned intermediary for resolving and closing grievances in CGMS.

3.7 Certification Programme for Retirement Advisers

Pension Fund Regulatory and Development Authority is registering Retirement Advisers for widening the coverage of NPS and advisory services to the subscribers for allocating assets under NPS and choosing PFMs. The scope of work and responsibility of the Retirement Adviser is to ensure orderly growth of pension sector.

During FY 16-17, PFRDA started giving registrations to individuals as Retirement Advisers as per PFRDA (Retirement Adviser) Regulations 2016. PFRDA has accredited National Institute of Securities Market (NISM) as institute for certification of Retirement Adviser Certification Examination.

Upto March 2018, total 251 candidates certified with NISM Series-XVII: Retirement Adviser Certification Examination. In FY 2017-18, 32 RAs, in the category of individual, were registered by PFRDA. A quarterly summary of the candidates enrolled and appeared vis a vis passed during the FY 2017-18 is as under:

(Actuals)

NISM Series-XVII: Retirement Adviser Certification			
Month	Enrolled	Appeared	Passed
Apr-June 2017	96	68	23
Jul-Sep 2017	124	97	41
Oct-Dec 2017	88	89	37
Jan-March 2018	129	120	40
Total	437	374	141

3.8 Collection of data by the Authority and the intermediaries including undertaking and commissioning of studies, research and projects.

Collection and compilation of a comprehensive data based on demographics, retirement savings and investments, the different financial products/ schemes issued by the different Organizations to cater to the old age income security of the underlying subscribers, the returns generated thereon, the disclosure and protection provided to the subscribers etc. under different scheme are the on - going activities of PFRDA. Towards this end, PFRDA is compiling information on people covered under various pension schemes and also people receiving pensions under various schemes. PFRDA in the process of gathering information from other pension providers in the country. Analysis of this information would help in policy formulation on the pension sector catering to the wider section on sustainable basis.

3.9 Steps undertaken for educating subscribers and the general public on issues relating to pension, retirement savings and related issued and details of training of intermediaries

3.9.1 Financial Literacy:

PFRDA is a member of Financial Stability and Development Council (FSDC), its sub-committee, working groups and various inter-regulatory forums viz. Inter Regulatory Technical Group (IR-TG), Technical Group on Financial Inclusion and Financial Literacy (TGFIFL), and actively contributes to the furtherance of the objectives of these committee's/groups/forums.

Financial literacy enables in increasing our awareness about financial products, builds a capacity to compare all available financial options, and changes our financial behaviour - all which bodes well for our perceptions of, and actual experiences. The researchers have also found that the more financially literate earn and accumulate more during their lifetime - and thus worry less about growing old. Financial literacy

further helps shape people's perception towards risk and uncertainty, making them more capable and confident in tackling whatever problems life throws at them.

As the pension regulator is assigned with the mammoth task of financial literacy of the masses in matters related to pension, retirement planning/savings and also entrusted with the overarching mandate of developing the pension sector, PFRDA has chosen the name Pension Sanchay while launching its financial literacy website and also as its mascot. From a retirement planning perspective the importance of accumulation arises from the fact that, as the name implies, this is the stage in which a person starts to accumulate wealth- for different goals like house, marriage, child, children's education and of course, his/her retirement.

The website was officially launched on 28th February 2018 by the Hon'ble Finance Minister Sh Arun Jaitley during the 4th Pension Conference.



The website PensionSanchay.org.in provides references to topics and fundamental elements and concepts related to money, financial planning and retirement planning. Different



topics related to financial and retirement planning- right from the fundamental concepts of Money, Savings & Investments, Assets & their features to advanced topics like Need of Retirement planning, Risk- Return Trade-offs, Real & Nominal Returns and Retirement Corpus calculation. Not only does the website discuss the fundamental concepts behind financial and retirement planning but also present calculators to provide the reader with a numerical estimates of how much one would need to retire and how much he/she would you need to save and invest to create that pension kitty.

The website further features a blog section that discusses topics related to Pension, Saving & Investing, Retirement Planning, Fundamentals of Money & Finance and Behavioural Aspects of Retirement Planning.



FUNDAMENTALS OF MONEY & FINANCE

Why understanding Time Value of Money and Purchasing Power important in planning your Retirement?

MARCH 20, 2018 BY ADMIN

By Prodeepto Chatterjee What is Time Value of Money? Here are two options, choose any one. I give you Rs.10000 tomorrow. I give you Rs.10000...

3.9.2 NPS awareness and Social Media

To fulfill PFRDA's mandate of undertaking steps for educating subscribers and the general public on issues relating to pension, retirement savings and related issues, PFRDA embarked upon a media campaign under the tagline "NPS- Save Right, Retire Bright". The tagline not only captures the essence of the product (NPS) but also reminds the general public that for a happy and comfortable retired post work life, one needs to save regularly and invest in right instruments to create an adequate corpus.

Extensive print media campaigns under the aegis of the NPS tagline "NPS-Save Right, Retire Bright" were carried out.

The campaigns were executed through print media. In view of the PFRDA's mandate to

cater to the populace of the country irrespective of language and region, advertisements were carried out in Hindi, English and 11 other regional languages in over 130 newspapers pan India per print coverage.

To have a better recall, various campaigns were conceptualized on the topics of NPS Tax Savings, Tier II Account, eNPS, eNPS through Aadhaar, Contribution using eNPS, etc. were carried out. In addition to that, to have a multi-pronged visibility across different media, campaigns were also carried through TV commercials, Radio (FM channels), outdoor media and online media.

Furthermore, to complement the efforts of putting the NPS on an online platform, advertisements and awareness campaigns were carried on the websites through web banners, Run-on-Site ads and bulk emailers.

Government agencies across the country are increasingly looking to leverage various social media platforms to enhance their outreach and engage better with the citizens. These platforms are providing governments, government institutions and other entities with options of connecting and communicating with the citizens.

In light of the same, the social media accounts of PFRDA have been activated on Twitter, Facebook, Youtube. There are specific social media handles dedicated to NPS, APY and Pension Sanchay, the Financial Literacy initiative of PFRDA. The PFRDA social media handles have a cumulative followership of more than 1 lakh followers.

3.9.3 Public Relations Agency

Keeping in mind the spread and scope of the regulatory and developmental role of PFRDA, a PR Agency was appointed to design and execute an ongoing public relations strategy and programme which would ensure media visibility through a high impact communication strategy

The objective of the PR strategy was to enhance awareness and disseminate information

regarding the various policies, activities and schemes within the ambit of PFRDA to promote old age income security by establishing, developing and regulating pension funds, protect the interests of subscribers to schemes of pension funds and matters connected therewith or incidental thereto, thereby empowering every citizen of the country to participate in securing their old age income.

3.9.4 Training

To further the cause of fulfilling PFRDA's mandate of creating awareness for the need of saving for retirement and retirement planning, PFRDA undertakes activities for enhancement of consumers' awareness on NPS and provides financial education programmes through the

training agency appointed by PFRDA. The training agency imparted training to the Central and State Govt. nodal officers- Pay & Accounts Offices (PAOs), Drawing & Offices (DDOs), Points of Presence/ banks/ Post Offices involved in the registration of subscribers, aggregators, etc. about the salient features of the NPS / APY, the process of joining etc. Further, training workshops/camps have been organized for subscribers across the sector and the country as a part of a wider financial consumer protection policy.

The training agency conducted training in batches covering North and West region only. Total of 1688 batches were trained during the period and the state-wise distribution of the number of trainings conducted are as follows-

Table: 3.7: State wise no. of batches conducted for training under NPS/APY.

(Actuals)

State	Number of Batches
Maharashtra	316
Rajasthan	214
Bihar	201
Madhya Pradesh	171
Gujarat	141
Punjab	97
J&K	91
Delhi	86
Uttar Pradesh	80
Jharkhand	78
Uttarakhand	73
Himachal Pradesh	60
Haryana	55
Daman & Diu	11
Goa	6
Chhattisgarh	5
Dadra & Nagar Haveli	2
Gujarat	1
Grand Total	1688

Trainings were imparted for both NPS and APY. For NPS, trainings were imparted to Govt. DDOs, Corporates and POPs. For APY,

trainings were imparted to the Business Correspondents (BCs), DCCBs (District Central Cooperative Banks), Dept. of Posts, RRBs (Regional Rural Banks).

Table 3.8: The sector-wise and state-wise breakups of the trainings conducted

(Actuals)

States	APY-BCs	APY-DCCBs	APY-DOP	APY-RRBs	NPS-DDOs	NPS POP-Corporate	POPs	Grand Total
Maharashtra	2	29	10	3	171	32	69	316
Rajasthan	1	2	17	1	177	1	15	214
Bihar	38	4	71	22	41		25	201
Madhya Pradesh	47	6			109	1	8	171
Gujarat	11	16	28	6	32	3	45	141
Punjab		1	7		61	2	26	97
J&K				2	88		1	91
Delhi		2	9		19	25	31	86
Uttar Pradesh	10	7	20	26	5	1	11	80
Jharkhand	5	17	26		19		11	78
Uttarakhand	2	2	2		62		5	73
Himachal Pradesh		9	2		46		3	60
Haryana		5			42		8	55
Daman & Diu					11			11
Goa					6			6
Chhattisgarh		2	1				2	5
Dadra & Nagar Haveli					2			2
Gujarat	1							1
Grand Total	117	102	193	60	891	65	260	1688

Total of 65520 individuals were trained during the period and the state-wise distribution of the number of individuals trained are as follows :-

Table 3.9: State wise no. of individuals trained during FY 2017-18

(Actuals)

State	Number of people trained
Maharashtra	11068
Rajasthan	8812
Bihar	8277
Madhya Pradesh	6871
Gujarat	5422
Punjab	3277
J&K	3271
Uttar Pradesh	3090
Uttarakhand	2955
Delhi	2950
Jharkhand	2781
Himachal Pradesh	2440
Haryana	2063
Goa	1497
Daman & Diu	487
Chhattisgarh	156
Dadra & Nagar Haveli	58
Gujarat	45
Grand Total	65520

Table 3.10: The sector-wise and state-wise breakups of the number of individuals trained during FY 2017-18

(Actuals)

(Actuals) States	APY-BCs	APY-DCCBs	APY-DOP	APY-RRBs	NPS-DDOs	NPS POP-Corporate	POPs	Grand Total
Maharashtra	81	650	410	98	6250	862	2717	11068
Rajasthan	7	79	723	26	7498	38	441	8812
Bihar	1702	149	2923	943	1676		884	8277
Madhya Pradesh	1274	120			5141	15	321	6871
Gujarat	438	660	1207	182	1470	64	1401	5422
Punjab		36	240		2315	43	643	3277
J&K				71	3170		30	3271
Uttar Pradesh	411	144	784	1170	213	32	336	3090
Uttarakhand	83	59	82		2544		187	2955
Delhi		69	333		838	671	1039	2950
Jharkhand	162	340	1040		760		479	2781
Himachal Pradesh		242	81		2049		68	2440
Haryana		160			1725		178	2063
Goa					1497			1497
Daman & Diu					487			487
Chhattisgarh		40	44				72	156
Dadra & Nagar Haveli					58			58
Gujarat	45							45
Grand Total	4203	2748	7867	2490	37691	1725	8796	65520

3.10 NPS and APY Information Helpdesk

In light of PFRDA's overarching responsibility of spreading awareness about retirement planning, old age income security and NPS as a product, PFRDA has been operating dedicated information helpdesk. The information helpdesk is engaged in providing information and responding to the queries from existing as well as potential subscribers in respect of product features, new policies, regulations etc. NPS is an on-going scheme and PFRDA believes that having a dedicated Information Helpdesk for disseminating information on NPS, which is accessible from across the country would not only help enlightening people about the latest

developments in NPS, but it would also help in promoting the concept of old age income security through NPS while helping PFRDA to understand their expectation from the System. Furthermore, PFRDA also makes use of the call data to gauge the awareness of NPS and estimate the popularity of the System across various sections of the Indian society.

Presently two toll free numbers are being operated through the NPS information helpdesk i.e. 1800110708 (for NPS) and 1800110069 (for APY). The NPS Toll free number has been in operation since 2012 and the APY toll was operationalized simultaneously along with the launch of the APY in May/ June 2016.

The NPS Information Desk is operational for 8 hours a day (9.30 a.m.- 5.30 p.m.), 7 days a week (including Sundays) throughout the year excluding National Holiday- Gandhi Jayanti-Oct 2, Independence Day- August 15, Republic Day- January 26 and mandatory holidays (viz. Election day).

PFRDA has been undertaking the promotion of NPS and APY on a regular basis and the promotion of the same is expected to be a continuous process. The NPS Information Helpdesk receives an increased number of calls during the media campaign periods. This helps further in making the callers informed about the NPS and APY.

The age-wise distribution of callers at the information helpdesk is as follows. It is observed that most of the calls are being made by callers in the age group of 26-35 years.

The age-wise distribution of callers for NPS and APY are as follows:-

Chart 3.1: Age wise distribution of callers

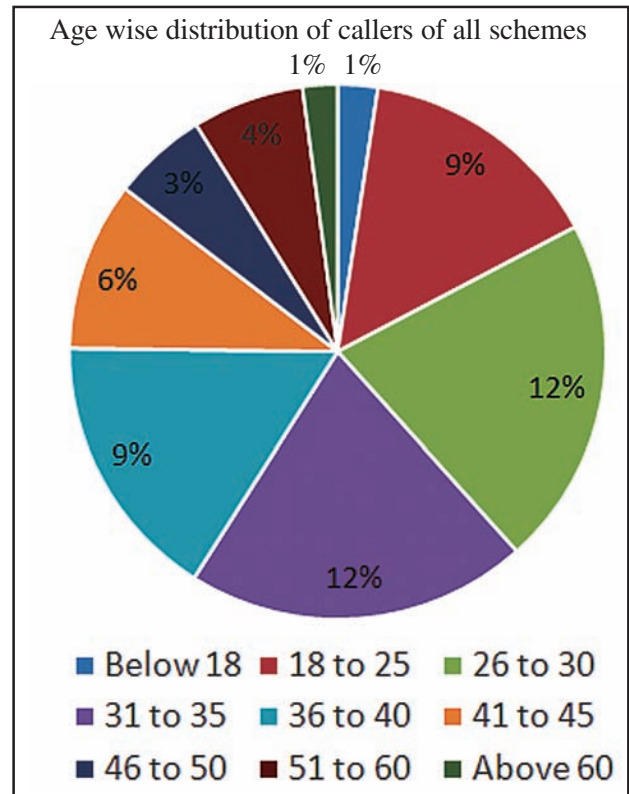


Chart 3.2 (a): Age wise distribution of callers under NPS

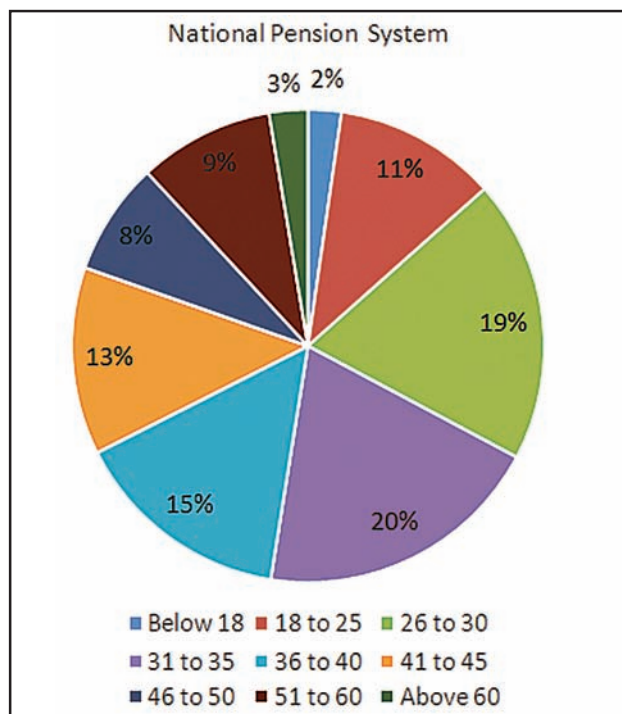
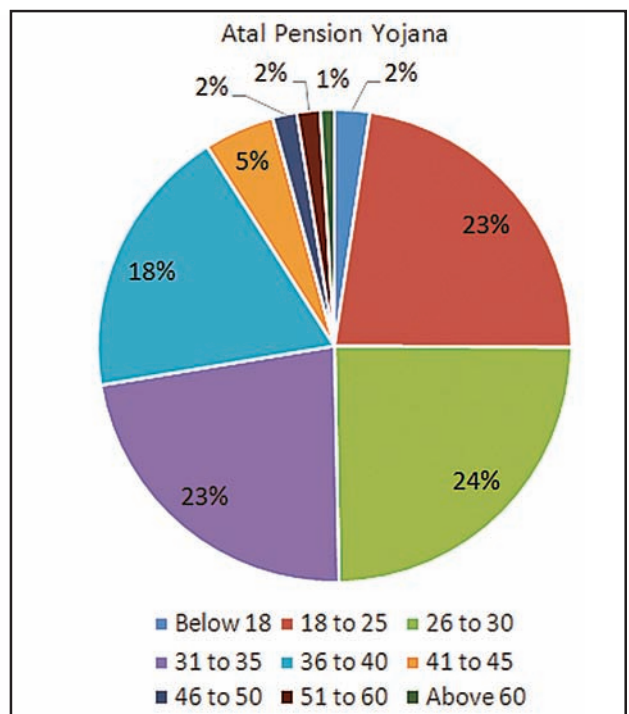


Chart 3.2 (b): Age wise distribution of callers under APY



3.11 Conferences held during FY 2017-18

For better implementation of NPS in the Country PFRDA had organized several conferences during the year. Under Government Sector which comprises of the majority of the of NPS subscribers, PFRDA sensitized the Government Nodal offices on various issues/matters to

improve their performance. PFRDA undertakes various measures and also conducts review meetings/ video conferences with the Government Nodal offices in the Central / State Government sector. During the year 2017-18 PFRDA undertook following measures and major conferences/workshops:

Sl. No.	Date of Conference	Conference Theme
1	28.02.2018	The 4 th Pension Conference was organised by the Pension Fund Regulatory and Development Authority (PFRDA).
2	21.12.2017	Conference on Implementation of National Pension System by Central Government.
3	28.11.2017	Conference on National Pension System (NPS) for Chartered Accountants.
4	06.10.2017	Conference on NPS for Central Public Sector Enterprises.
5	18.09.2017	Workshop on National Pension System (NPS) for Corporates in coordination with FICCI at Jaipur on 18 th September, 2017.
6	11.09.2017	Conference on Portability from Superannuation and Recognized Provident Funds to National Pension System (NPS).
7	18.08.2017	APY Strategy meetings at Chennai (South Zone). APY strategy meets were also conducted in other Zones (North, East & West zones) at different dates.
8	23.06.2017	Workshop on National Pension System (NPS) for Corporates in coordination with FICCI at Bhubaneswar on 23 rd June 2017.
9	09.06.2017	Workshop on National Pension System (NPS) for Corporates in coordination with FICCI at Ahmedabad on 09 th June, 2017.
10	21. 04. 2017	Workshop on National Pension System (NPS) for Corporates in coordination with FICCI at Vishakhapatnam.

Other review meetings conducted by PFRDA during the year 2017-18 are as under:

HEAD	TOTAL NUMBER	NAME OF MINISTRIES/STATES/CABS/SABS
Reivew Meeting/ VC with central Government Ministries	48	Controller General & Defense Accounts (3), Controller General of Accounts (2), Railway Board(1), Ministry Of Home Affairs (5), Central Board of Excise and Customs (5), Central Board of Direct Taxes (5), General Finance Postal(4), Ministry National Capital Territory Delhi(3), Ministry of Statistics and Programme Implementation (3), Ministry of Culture (3), Ministry of Urban Development (3), Ministry Of Comptroller And Auditor General (2), Ministry Of Water Resource (2) , School And Higher Education (1), Dadra & Nagar Haveli(1), Daman And Diu(1) Lakshadweep (1), Northern Railway(1), East Central Railway(1), North Eastern Railway (1),North Central Railway (1)
Workshops for Central Government Ministries	11	Border Security Force (7), Assam Rifles(1), Services Selection Board (1), All India Council for Technical Education (1), Consortium for Educational Communication (1)
Review Meeting of CABs	37	Kendriya Vidyalaya Sangathan (6), Prasar BharatI (6), New Delhi Municipal Council (4),South Delhi Municipal Council (3), East Delhi Municipal Council (3), Delhi Jal Board(3) Indian Council of Agricultural Research (3), Council of Scientific and Industrial Research (3), Unani Medicine(2), NEW Delhi Municipal Council (2), All India Institute of Medical Sciences (2)
Reivew meentings / VCs & workshops for States including SABS	88	State Governments: Punjab(4), MP(4), Karnataka(4), Maharashtra (3) , Uttar Pradesh (3), Chhattisgarh (3), Bihar (3), Gujarat (3), Himachal Pradesh (3), Telangana(2), Jammu And Kashmir (2), Andhra Pradesh (2), Haryana (2), Assam (2), Odhisha (1), Uttarakhand (1), Jharkhand (1), Goa (1), Puducherry (1), Kerala (1), Nagaland (1), Manipur (1), Mizoram (1), Sikkim (1), Meghalaya (1) Arunachal Pradesh (1) SABs: Directorate of Public Instruction, Madhya Pradesh (4), Department of Tribal Development Madhya Pradesh (4), Directorate of Urban Administration & Development Madhya Pradesh (4), Directorate of Public Instruction, Chattisgarh (4), Urban Administration Development, Chattisgarh(4), Basic Shiksha Parishad (4), Uttar Pradesh(4),

HEAD	TOTAL NUMBER	NAME OF MINISTRIES/STATES/CABS/SABS
		Department of sustainability and Environment, Uttar Pradesh(4), Directorate of Higher Education, Uttar Pradesh (4)
Review meetings with PFs	3	The meeting was chaired by WTM (E) and attended by the officers of the department and senior management of the Pension Funds. The discussions were mainly held on the following points: investment Outlook for upcoming quarters, performance of various schemes and variation in returns w.r.t. benchmark, observations/recommendations on monthly reports submitted by the Pension Funds for the Quarter, status of implementations of policies issued by the Authority, NPA and downgrades, if any, and any other issue that surfaced during the quarter under review.
Review meeting with Custodian	2	The meeting was chaired by WTM (E) and attended by the officers of the department and senior management of the Custodian. The discussions were mainly held on the following points: Observations/recommendation on monthly reports for the quarter under review, status of implementations of policies issued by the Authority, Status of receipt of corporate actions during the quarter and any other agenda/issue that surfaced during the quarter under review.

Review meetings with top 5 CG/CABs/SG/SAs on monthly basis which have high number of grievances & exit card. Compendium on NPS for Central Ministries/Departments in Central Government sector was issued by PFRDA, which comprised of major circulars/notifications/ Office Memorandums issued by Government of India PFRDA & CRA/NSDL on National Pension System.

Compendium on NPS for Central Ministries/Departments in Central Government sector was issued by PFRDA, which comprised of major circulars/notifications/ Office Memorandums issued by Government of India, PFRDA & CRA-NSDL on National Pension System.

3.12 Performance of pension funds and performance benchmarks

NPS Schemes showed a robust overall growth of 34% in its AUM during the financial year, as shown in Table 3.11. All the schemes witnessed double-digit growth. APY and Tier II scheme recorded high growth of 103% and 73% in terms of AUM.

Scheme CG for central government employees posted 27% growth in its AUM during the year. On the other hand, Scheme SG's assets grew by 36% during the year.

Table 3.11: Asset Under Management (AUM) Break up in NPS - Growth Scheme Wise Position as on March 31, 2018

Asset Under Management (AUM) break up in NPS- Growth Scheme Wise Position as on Quarter ended 31st March 2018				Amt. Rs. In Crore			
Schemes	Actuals-AUM as on 31st March, 2018			Growth in AUM			
	Mar-16	Mar-17	Mar-18	YoY Mar 17 over Mar 16		YoY Mar 18 over Mar 17	
				Amount	%	Amount	%
Equity Tier I	1,181.46	2,538.98	4,308.22	1,357.53	114.90%	1,769.24	69.68%
Equity Tier II	60.44	125.90	217.78	65.46	108.31%	91.89	72.99%
Equity Total	1,241.89	2,664.88	4,526.00	1,422.99	114.58%	1,861.13	69.84%
% Share in Total AUM	1.00%	1.50%	1.90%	2.60%		3.10%	
Bonds Tier I	887.78	1684.95	2,846.55	797.17	89.79%	1,161.60	68.94%
Bonds Tier II	55.10	101.33	162.16	46.23	83.91%	60.83	60.03%
Bonds Total	942.88	1786.28	3,008.71	843.4	89.45%	1,222.43	68.43%
% Share in Total AUM	0.8%	1.00%	1.30%	1.50%		2.00%	
G Sec Tier I	1324.79	2506.93	4,243.06	1,182.15	89.23%	1,736.13	69.25%
G Sec Tier II	54.35	112.43	181.47	58.09	106.88%	69.04	61.41%
G Sec Total	1379.13	2619.37	4,424.53	1,240.23	89.93%	1,805.17	68.92%
% Share in Total AUM	1.2%	1.50%	1.90%	2.20%		3.00%	
AIF Tier I	-	1.04	6.53	1.04	-	5.49	-
AIF Tier II	-	0.10	-	0.10	-	-0.10	-
AIF Total	-	1.14	6.53	1.14	-	5.39	-
% Share in Total AUM	0.00%	0.00%	0.00%	0.00%		0.00%	
Sub Total Tier I	3,394.02	6,731.91	11,404.37	3,337.89	98.35%	4,672.46	69.41%
Sub Total Tier II	169.88	339.76	561.41	169.88	100.00%	221.66	65.24%
Tier I + Tier II	3,563.90	7,071.67	11,965.78	3,507.77	98.42%	4,894.11	69.21%
NPS Lite	2,107.55	2,639.21	3,005.82	531.66	25.23%	366.61	13.89%

APY	506.34	1,885.00	3,817.86	1,378.67	-	1,932.85	102.54%
Corporate CG	6,805.05	10,753.47	14,846.33	3,948.43	58.02%	4,092.86	38.06%
Sub Total (Pvt Sector)	12,982.84	22,349.35	33,635.79	9,366.52	72.15%	11,286.43	50.50%
% Share in Total AUM	10.90%	12.80%	14.30%		16.80%		18.80%
Central Govt	48,134.78	67,040.05	84,954.60	18,905.27	39.28%	17,914.54	26.72%
% Share in Total AUM	40.50%	38.40%	36.20%		33.90%		29.80%
State Govt	57,692.50	85,171.43	1,15,988.48	27,478.93	47.63%	30,817.05	36.18%
% Share in Total AUM	48.60%	48.80%	49.40%		49.30%		51.30%
Sub Total (Govt.)	1,05,827.28	1,52,211.49	2,00,943.08	46,384.21	43.83%	48,731.59	32.02%
% Share in Total AUM	89.10%	87.20%	85.70%		83.20%		81.20%
Grand Total	1,18,810.12	1,74,560.84	2,34,578.86	55,750.72	46.92%	60,018.02	34.38%

Source: NPS Trust Annual Report (Page no.31)

Performance of Pension Funds

Table 3.12: The position of the AUM with the Pension Funds

PFM	AUM (Amt. In Rs. crore)			
	March 2017	March 2018	Increase in AUM	
			Amount	%
SBI Pension Fund Pvt. Ltd.	66723	89283	22560	33.80
LIC Pension Fund Ltd.	52709	70130	17421	33.05
UTI Retirement Solution Ltd.	52043	69483	17440	33.51
HDFC Pension Management Co. Ltd	1163	2560	1397	120.15
ICICI Prudential Pension Funds Management Company Ltd.	1442	2326	884	61.33
Kotak Mahindra Pension Fund Ltd.	312	536	224	71.82
Reliance Capital Pension Fund Ltd.	169	231	62	36.71
Aditya Birla Sunlife Pension Management Ltd	-	30	30	-
Total	174561	234579	60018	34.38

Source: Annual report of NPS Trust

Table 3.13: Scheme wise Pension Fund wise returns as on 31st March 2018

Since inception (in %)

Scheme	SBI	LIC	UTIRSL	Kotak	ICICI	Reliance	HDFC	Birla#
CG	10.07	9.76	9.73					
SG	9.65	9.79	9.72					
NPS-Lite/Swm	10.45	10.33	10.41	10.46				
APY	8.49	9.28	9.47					
Corporate CG	9.86	9.93						
E-I	9.66	12.68	11.67	10.79	11.64	10.63	15.49	9.22
C-I	10.75	10.59	9.52	10.69	10.75	9.44	10.70	9.18
G I	9.65	11.12	8.38	8.61	8.73	8.38	9.87	4.23
A-I	8.71	6.33	6.64	6.78	7.82	6.27	8.22	5.86
E-II	9.31	8.54	9.71	9.95	9.33	9.36	11.98	9.02
C-II	10.35	9.17	9.61	9.47	10.60	9.23	9.34	6.47
G-II	9.73	11.19	9.32	8.43	8.85	8.63	10.40	0.71

Source: NPS Trust Annual report. The date of inception is different for different schemes.

Returns above 1 year periods are annualized

Inception dates: LIC July 23, 2013; HDFC August 01, 2013; Birla May, 9 2017 (E-I)

For Kotak inception date is Jan 31, 2012.(NPS-Lite);

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

Inception dates: LIC August 12, 2013; HDFC August 01, 2013, Birla May, 9, 2017 (E-II)

Inception dates: LIC July 23, 2013; HDFC August 01, 2013; Birla May, 9 2017 (C-I)

Inception dates: LIC August 12, 2013; HDFC August 01, 2013; Birla May, 9, 2017 (C-II)

Inception dates: LIC July 23, 2013; HDFC August 01, 2013; Birla May, 9, 2017 (G-I)

Inception dates: LIC August 12, 2013; HDFC August 01, 2013; Birla May, 9, 2017 (G-II);

Not annualized as return period is less than 1 year

3.13 Regulated Assets

"Regulated Assets" means and includes tangible and intangible assets created exclusively for the purpose of operations of CRA comprising bespoke software with all the components required for running the application, any third party software and component off the shelf specific to the CRA application system, all relevant CRA project data, dedicated specific hardware/software components of Data Centre and Disaster Recovery Centre, networks and all other facilities excluding physical infrastructure (building, air conditioners, power supply infrastructure, furniture).

On the expiry of the tenure of the registration or in the event of termination of the CRA, information and regulated assets held by CRA shall be transferred to another CRA registered with the Authority, within the time period and in the manner, as may be required under the PFRDA Act, rules or regulations or as may be directed by the Authority.

3.14 Fees and other charges levied or collected by the Authority during the financial year

Fees and charges are levied on the subscribers of the NPS at various stages by the

intermediaries serving to the subscribers. At the entry to the NPS system, the intermediaries responsible for registration of the subscribers in NPS i.e. PoPs, charge fees which are collected upfront from the subscribers. The charge for registration of Atal Pension Yojana (APY) is borne by the government. In the next stage, CRA, the recordkeeping agency, levy fee for opening account and generation of PRAN,

maintenance of account by cancellation of units. Thereafter, for each transaction involving contribution of the subscribers there is charge by both CRA and POP. Investment management fee is charged by the Pension Funds for managing the investment portfolio of the subscribers. The custodian of the securities charges for the assets under its custody. And finally, reimbursement of NPS Trust expenses are charged from the subscribers.

Table 3.14: Fees and charges to the subscribers at various stages

Intermediary	Fees / Charges	Private	Govt.*	NPS Lite/APY
Central Record keeping Agency	PRA Opening charges	NSDL: Rs. 40.00	NSDL: Rs. 40.00	NSDL: Rs. 15.00
		Karvy#: Rs 39.36	Karvy : Rs 39.36	Karvy : Rs. 15.00
	Annual PRA Maintenance cost per account	NSDL: Rs. 95.00	NSDL: Rs. 95.00	NSDL: Rs. 25.00
		Karvy : Rs 57.63	Karvy : Rs 57.63	Karvy : Rs 14.40
	Charge per transaction	NSDL: Rs. 3.75	NSDL: Rs. 3.75	NIL
		Karvy : Rs 3.36	Karvy : Rs 3.36	
Point of Presence	Initial subscriber registration and contribution upload	Rs. 200**	NA	NA
	Any Subsequent	0.25% of contribution, Min. Rs 20 Max. Rs 25000	NA	NA
	Persistency Charge** >6 months & Minimum contribution Rs. 1000 p.a	Rs. 50 per annum	NA	NA
	On eNPS platform	0.10% of contribution** Min. Rs 10 Max. Rs.10000	NA	NA
Trustee Bank		NIL		
Custodian	Asset Servicing charges	0.0032% p.a		
Pension Funds	Investment Management Fee	0.01% p.a	0.0102% p.a.	0.0102% p.a
NPS Trust	Reimbursement of expenses	0.01% pa.		

* In case of Government employees, CRA charges are being paid by the respective Governments.

** w.e.f. 15/11/2017

Karvy Computershare Pvt. Ltd has started operation wef 15th Feb, 2017.

The fees received by PFRDA from the various intermediaries during the Financial Year 2017-18 is provided in the table below:

Table 3.15: Fees received during the Financial Year 2017-18

S.No.	Intermediary	Fee receipt (Rs. in Lakh)
1	Trustee Bank- Axis Bank	1963.29
2	Pension Fund	908.74
3	CRA- NSDL- E Governance Infrastructure Ltd	6,64.42
4	Custodian - SHCIL	76.77
4	Retirement Advisor / POP/Aggregator/ASP/ EMD/RFP Processing Fee	8.61
6	CRA- Karvy Computershare Pvt Ltd	0.23
	Total	3622.06
Fee received from various intermediaries are accounted on realization basis.		

3.15 Information sought for, inspections undertaken, inquiries conducted and investigations undertaken including audit of intermediaries and other entities or organisations connected with pension funds'

Inquiries & Investigation

PFRDA and NPS Trust review the reports submitted by CRA, Trustee Bank and their auditors to ensure that the intermediary is following the turnaround time as defined in service level agreements.

Inspection & Audits

PFRDA Central Recordkeeping Agency and Trustee Bank regulations also have provision to conduct audit and inspection of CRA and

Trustee Bank to protect the interests of the subscribers. During FY 2017-18, internal Audit of all the Pension Funds were undertaken by the Internal Auditors appointed by Pension Funds as per the Guidance Note for the appointment of Internal Auditor issued by the Authority. The audit of the schemes managed by the respective Pension Funds was also done. Pension Funds are also subject to Statutory Audit.

3.16 Others

3.16.1 Subscribers (category wise) covered under the National Pension System and other pension schemes under the Act

a) Number of subscribers under NPS over the years

Enrolment of subscribers in NPS increased from 154.39 lakh in March 2017 to 211.78 lakh in March, 2018. The growth of number of

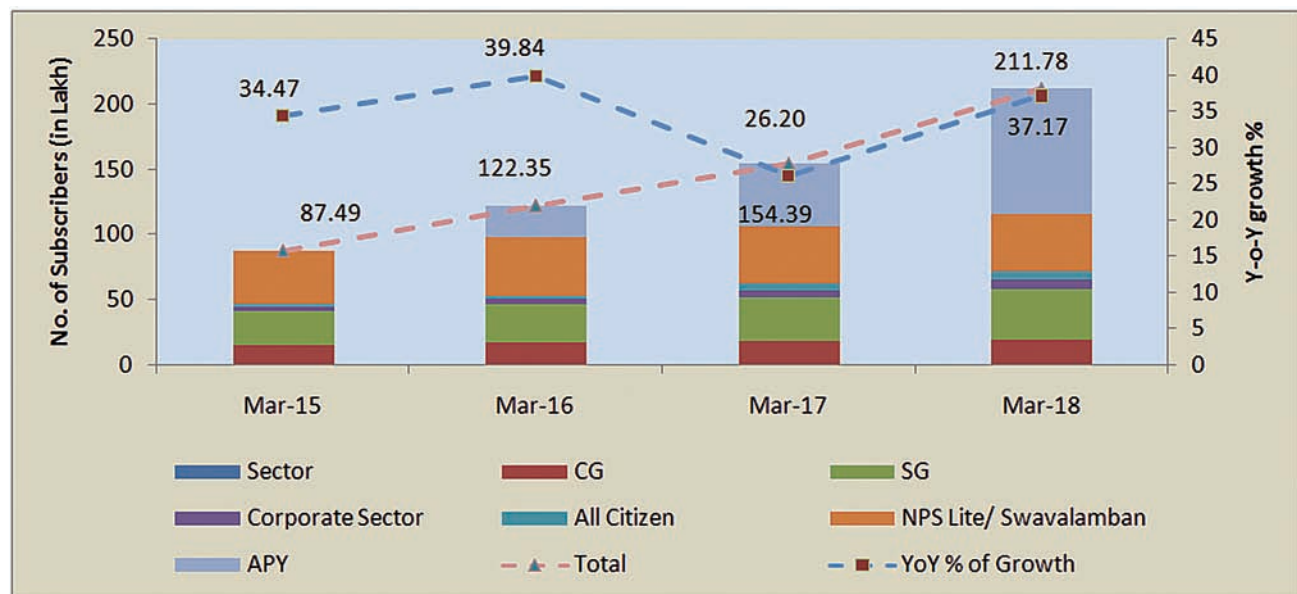
subscribers during 2016-17 is 37.17 per cent. Year wise number of NPS subscribers is provided in Chart 3.3.

Table 3.16: Sector wise number of Subscribers under NPS/APY

Sectors	Mar-17 (No. In lakh)	Mar-18 (No. In lakh)	Growth over year	
			Absolute increase (No. in lakh)	%
Central Government	17.89	19.22	1.33	7.43
% to total	11.6	9.08		
State Government	33.32	38.68	5.36	16.09
% to total	21.6	18.26		
Corporate	5.86	6.96	1.10	18.77
% to total	3.8	3.29		
UoS (All Citizen)	4.39	6.91	2.52	57.40
% to total	2.8	3.26		
NPS Lite/Swavalamban*	44.29	43.95	-0.34	-
% to total	28.7	20.75		
APY	48.64	96.06	47.42	97.49
% to total	31.5	45.36		
Total	154.39	211.78	57.39	37.17

*(No fresh registration permitted after 01st April, 2015, post launch of APY)

Chart 3.3: Year wise number of subscribers under NPS & APY



b) No. of subscribers - Sector wise

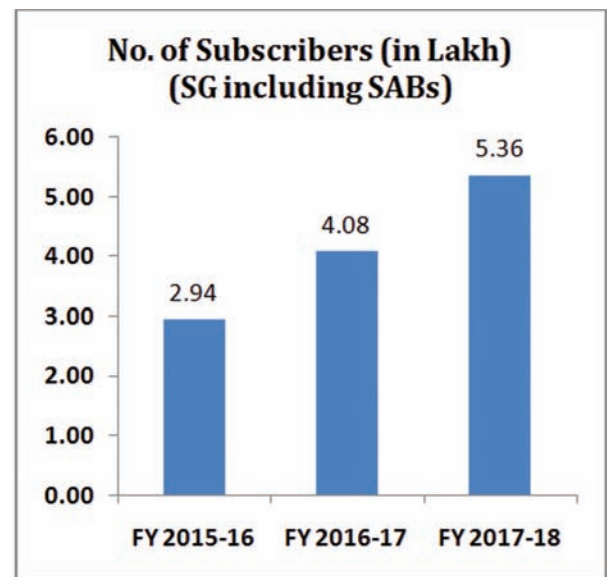
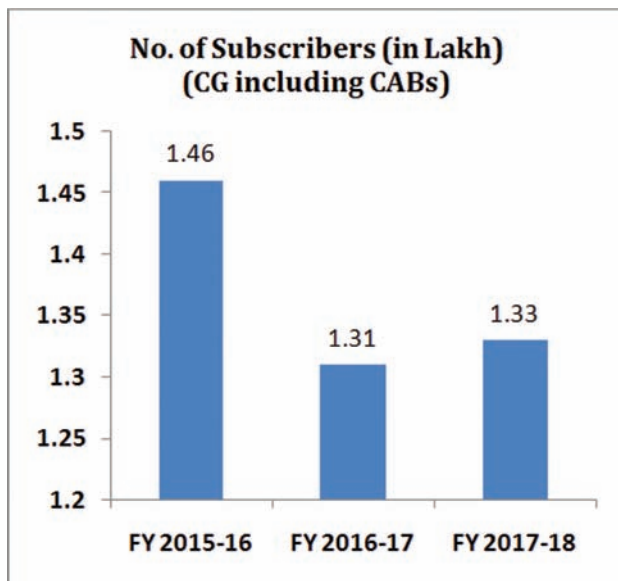
Government Sector

- Government subscribers have increased from 51.21 lakh as end of March 2017 to 57.90 lakh subscribers as end of March 2018, registering an increase of 6.69 lakh (13.06%).

Table 3.17 No. of subscribers, contribution & AUM of Govt. Sector as on 31.03.2018

Sector	No. of subscribers (In Lakh)	Contribution (Rs. crore)	AUM (Rs. crore)
Central Government	19.22	62351	84954
State Government	38.68	92808	115679
Total	57.90	155159	200633

Year on Year data on subscriber registration:



Private Sector

- Under Private sector, number of corporate subscribers have increased from 5.86 lakh as end of March 2017 to 6.96 lakh, as on end of March 2018, an

increase of 1.10 lakh (18.77%) subscribers. The subscribers under UoS/ All Citizen have increased from 4.37 lakh as end of March 2017 to 6.91 lakh as end of March 2018, an increase of 2.54 lakh (58.12%) subscribers.

Table 3.18: No. of subscribers, contribution & AUM of Private Sector as on 31.03.2018

Particulars	Subscribers (In Lakh)	Contributions (Rs. in Crs)	AUM (Rs. in Crs)
Corporate Sector	6.96	17704	21378
UoS/All Citizen	6.91	5824	5744
Total	13.87	23528	27122

- Number of subscribers under NPS Lite and APY, together, has increased from 93.12 lakh in March 2017 to 140.01 lakh in March 2018, increasing by 46.89 lakh subscribers (50.35%).

Table 3.19: No. of subscribers, contribution & AUM of NPS Lite & APY as on 31.03.2018

Particulars	Subscribers (In Lakh)	Contributions (Rs. in Crs)	AUM (Rs. in Crs)
NPS Lite/Swavalamban	43.95	2378	3006
Atal Pension Yojana	96.06	3602	3818
Total	140.01	5980	6824

- New entry into Swavalamban scheme has been discontinued w.e.f April 1, 2015 and APY was launched on 9th May, 2015 and it became operational from 1st July, 2015. APY is focused on the poor and the under-privileged citizen of India; it will provide a defined pension after 60 years of age.
- Under the APY, the subscribers would receive the minimum guaranteed pension of Rs. 1000 per month, Rs. 2000 per month, Rs. 3000 per month, Rs. 4000 per month, Rs. 5000 per month, at the age of 60 years, depending on their contributions, which itself would be based on the age of joining the APY. The minimum age of joining APY is 18 years and maximum age is 40 years. Therefore, minimum period of contribution by any subscriber under APY would be 20 years or more.
- Scheme operates through all Bank Branches /Post Offices having CBS platform registered with Central Recordkeeping Agency (CRA).
- As end of FY 2017-18, 96.06 lakh subscribers have been registered under APY. During FY 2017-18, 10.96 lakh subscribers are eligible for Government co-contribution.
- Top three contributors to the APY subscribers are Uttar Pradesh, Bihar and Maharashtra. The state wise number of APY subscribers is provided at Annexure 1.
- Banks and Post office are the major distribution channels for APY. The no. of APY subscribers through various categories of banks and post offices is depicted in the table below:

Table 3.20: No. of subscribers registered (PRAN Generated) in APY by various distribution channels

Category of Banks	As on date (March 31, 2016)	As on date (March 31, 2017)	As on date (March 31, 2018)
Major Banks (PSBs+HDFC, ICICI, Axis & J&K Bank)	1,693,190	3,047,273	6,553,397
Other Private Banks (except HDFC, ICICI, Axis & J&K)	218,086	497,323	873,901
Regional Rural Banks	476,373	1,115,257	1,987,176
District Co-op Banks	21,222	29,791	33,880
State Co-op Banks	354	680	805
Urban Co-op Banks	327	3,507	10,936
DOP	75,343	189,998	245,366
Total	2,484,895	4,883,829	9,705,461

Source: CRA-NSDL

Of the 48.22 lakh APY subscribers registered during FY 2017-18, 72.21% have opted for benefit of Rs. 1000 /- and 16.88% of the subscribers have opted for benefit of Rs. 5000/- p.m.. The details are provided at Table 3.21.

Table 3.21: Pension amount wise no. of APY subscribers as on 31.03.2018

Sr. No.	Pension Amount	PRAN Count	Percentage	Cumulative Percentage
1	1,000	3,481,777	72.21	72.21
2	2,000	314,674	6.53	78.74
3	3,000	150,751	3.13	81.86
4	4,000	60,566	1.26	83.12
5	5,000	813,864	16.88	100.00
	Total	4,821,632	100.00	

Source: CRA-NSDL

Of 48.22 lakh subscribers registered under APY in FY 2017-18, 26.61% of the subscribers are in the age bracket of 21-25 years and 26.24% and 21.77% are in the age bracket of 26-30 years and 31-35 years, respectively.

Table 3.22: Age wise no. of APY subscribers as on 31.03.2018

Sr. No.	Age Range	PRAN Count	Percentage	Cumulative %
1	Between 18 to 20 Years	623,475	12.93	12.93
2	Between 21 to 25 Years	1,283,242	26.61	39.55
3	Between 26 to 30 Years	1,265,117	26.24	65.78
4	Between 31 to 35 Years	1,049,800	21.77	87.56
5	Above 35 Years	599,998	12.44	100.00
	Total	4,821,632	100.00	

Source-NSDL-CRA

3.16.2 Points of presence

There were 70 registered POPs as end of March 2018. The list of registred POPs are at annexure-II. During FY 2017-18, 5 new POPs

have been registered and issued Certificate of Registration. As per the Regulations, 1 corporates and 4 special entities have been registered as PoPs have been issued Certificate of Registration.

Table 3.23: No. of POP-SPs registered under NPS

	As on 31st March'16	As on 31st March'17	As on 31st March'18	Growth during previous F.Y. 2016-17 (No.)	Growth in % during previous F.Y. 2016-17	Growth during the F.Y. 2017-18(No.)	Growth in % during the F.Y. 2017-18
Total No. of POPs	71	77	70	6	8.45	-	-
Total No. of POP-SPs	55,581	69,005	79,640	13,426	24.16	10,633	15.41
within which active POP-SPs***	7170	13396	21146	6226	86.83	7750	57.85
% of active POP-SP	12.9	19.41	26.55	6.51	50.48	7.14	36.79

*Active POP in Corporate Sector means POP with at least 5 Corporates Registered

** Active POP in All Citizen Sector means POP with at least 10 Active Subscribers

*** Active POP - SPs in All Citizen Sector means POP -SP with at least 1 Active Subscriber

Source- CRA- NSDL/Karvy

3.16.3 Asset under Management Scheme wise

The details of the scheme wise asset under management in given in the table below:

Table 3.24 Scheme wise Asset under Management (Rs in Crore)

Scheme	Mar-17	Mar-18	% Growth
CG	67040	84955	
SG	85172	115989	
Subtotal	152212	200944	32%
Cor.CG	10754	14846	
E-I	2539	4308	
C-I	1685	2847	
G-I	2507	4243	
A-I	1	6	
E-II	126	218	
C-II	101	162	
G-II	112	181	
NPS Lite	2639	3006	
APY	1885	3818	
Subtotal	22349	33635	50%
Grand Total	174561	234579	34%

Notes for March 2018:

1. Damodar Valley Corporation Rs. 309.94 cr is shown under SG

2. Corporate CG does not include AUM of Damodar Valley Corporation

Source: NPS Trust Annual Reports

The table above indicate that the asset under management for government sector NPS schemes (CG and SG) has grown by around 32%. The asset under management of the schemes other than these two schemes has grown by around 50%. Though in absolute terms government sector schemes grew by Rs. 48,732 crores whereas other schemes in aggregate grew by Rs. 11,286 crores.

3.16.4 The Central Recordkeeping Agency, its role and functions

a) Introduction

NSDL e-Governance Infrastructure Ltd., was appointed by PFRDA, as the Central Recordkeeping Agency and an agreement was executed on November 26, 2007.

After notification of the PFRDA (Central Recordkeeping Agency) Regulations, 2015 with effect from April 27, 2015, NSDL e-Governance Infrastructure Ltd was issued Certificate of Registration to work as Central Recordkeeping Agency effective from December 18, 2015 for the remaining period of the original contract dated November 26, 2007 effective from December 01, 2007 for 10 years.

CRA acts as an operational interface for all intermediaries. The role includes liasoning with all necessary external agencies and recordkeeping, administration and customer service functions for all subscribers of the NPS.

During the FY 2016-17, the Authority had registered M/s Karvy Computershare Private Limited as second CRA and allowed them to start its operations for servicing of accounts sourced through e-NPS module of NPS Trust wherein the subscriber was provided an option to choose between NSDL e-governance Ltd (1st CRA) and M/s Karvy Computershare Pvt. Ltd (2nd CRA) with effect from February 15, 2017 and other distribution channels thereafter. M/s Karvy Computershare was allowed to service the new accounts till March 31, 2017 and thereafter it was allowed to function as a full-fledged CRA with interoperability functionality

providing for option to shift for existing subscribers of NPS from 1st April, 2017 onwards.

Under sub regulation 4 of regulation 3 the CRA regulations, the allocation of the subscribers between the existing central recordkeeping agency and the other central recordkeeping agency or agencies, if appointed, shall be based on a transparent criteria and process as may be notified by the Authority from time to time having regard to the subscribers' interest. Accordingly, the criterion for allocation of subscribers is mentioned as under:-

In case where there is employee- employer relationship, including corporate, if the CRA charges are being borne by the employer, the decision to select the CRA shall rest with the employer, unless they specifically delegates the option to individual employees and in all other cases, the choice of selection of CRA will rest with the employee/ subscriber under NPS. In case of voluntary subscribers (without existence of any employee-employer relationship) the option to choose a CRA rests with the subscriber in general. In case of subscribers registered under Atal Pension Yojana, the respective government will chose the CRA for rendering the services. In case of NPS-Lite subscribers the aggregator will have the option to choose the CRA.

b) Role and responsibilities of CRA

The major role and responsibilities of CRA are as follows:

i. Continuous Enhancements and developments of new functionalities

It is the responsibility of the CRA to create and establish facilitation centres network across country. They have to develop various new functionalities/utilities and do continuous enhancements and development of modules to address changing requirements of various stakeholders.

ii. Services to Subscribers of all sectors

The primary role of CRA is of recordkeeping,

administration, providing customer service functions for all NPS subscribers, issuance of unique Permanent Retirement Account Number (PRAN) and IPIN/TPIN to the subscribers. The various services to the subscribers includes sending SMS alerts and emails at the time of registration, credit/ debit of units, withdrawal, balance in the PRAN, conducting subscriber awareness programs and providing web based access to all the NPS stakeholders. CRA also provides Centralized Grievance Management System and call centre facility to the subscribers and Nodal offices. Besides these services all subscriber maintenance services such as change of scheme, change of demographic details, grievance handling etc. are being handled by CRA.

iii. Services to Intermediaries

a) PFMs:

It is the primary responsibility of CRA to timely allocate the funds to PFMs, prepare and send consolidated Investment Preference Scheme information, sending net fund transfer report to PFMs on the basis of confirmation of fund transfer report received from Trustee bank and to measure the Scheme performance reports using NAVs send by PFMs to CRA.

b) TB:

To reconcile pension fund reports received from Trustee Account with pension fund contribution information report and generate error/discrepancy report on fund reconciliation, sending instruction to Trustee Bank to remit withdrawal fund to subscribers' account and remit remaining amount to Annuity Service Providers' account against the annuity scheme.

c) ASPs:

To collect physical application forms from the subscribers and forward them

to ASPs and sending funds transfer details for the subscriber's annuity to ASPs. Transferring electronic data transfer to ASPs with respect to subscriber details and sending instruction on Annuity scheme.

iv. Others:

Provide periodic and ad-hoc MIS (including Grievance redressal) to PFRDA, State Governments, Central Government and Ministry of Finance, conduct periodic orientation programs for nodal offices and to provide seamless and error-free system operations involving CRA system, PFMs, TB and other entities in NPS

c) Annual fee

The Central recordkeeping agency will pay an annual fee at the rate of 0.05 times of the service charges as specified in regulation 22 of PFRDA (Central Recordkeeping Agency) Regulations, 2015.

d) Regulations

The PFRDA (Central Recordkeeping Agency) Regulations, 2015, have been notified on 27th April, 2015. Subsequently, PFRDA (Central Recordkeeping Agency) (First Amendment) Regulations, 2018 have been notified on 25th June 2018.

The objective of the Pension Fund Regulatory and Development Authority (Central Recordkeeping Agency) Regulations, 2015 is to set standards for the eligibility, governance, organization and operational conduct of the entity who wish to function as Central Recordkeeping Agency. Regulations would ensure an effective and credible use of inspection, investigation, surveillance and enforcement powers and implementation of an efficient compliance program in tune with the spirit of PFRDA Act.

Entity registered as Central Recordkeeping Agency through this regulation is required to establish an internal system that delivers compliance with standards for internal organization and operational conduct, with the aim of protecting the interests of NPS subscribers and their assets.

e) **Development of new functionalities**

Continuous enhancements and development of modules to address changing requirements of various stakeholders is one the main objective of CRA. Various functionalities were developed by CRA to ensure the seamless functioning of NPS system. Few of the major developments are as under:

Facilities available under NPS to Subscriber:

- **Facility for instant generation of IPIN /TPIN** Subscribers can generate IPIN instantly in the CRA system by getting a unique reference no. on registered mobile. TPIN can be generated by subscribers by calling on CRA toll free no. and speaking to CRA call center.
- **Reprint of PRAN card** Subscribers can opt for reprint of PRAN card by logging into their account. The charges for the re-print of PRAN card is a billable transaction.
- **Shifting of account from POP to e-NPS** Subscribers can shift their Tier I/ Tier II or both mapped to any POP to e-NPS by logging into their CRA account.
- **Registration for APY made simple** Subscribers can register for APY by clicking on APY Application on e-NPS landing page. Subscriber is required to provide registration and APY-SP bank details through which APY PRAN is to be generated.
- **Change of PFM and Investment Option** Subscribers have the facility to change

their PFM once and Investment option as well as Asset allocation ratio twice in a financial year without any additional cost.

Enhancement in Central Grievance Management System (CGMS)

For subscribers:

- Standard Frequently Asked Questions (FAQs) along with answers against respective query category are now available to Subscriber & Entity (raising grievance on behalf of NPS Subscriber) in CGMS. The Subscriber raising any query through CGMS will have a provision to view the FAQs & relevant answers based on the category of grievance selected.
- The History of the grievances is available to the subscriber on demand basis.
- On selecting the type and sub type of grievance, subscriber will be shown the most often asked queries and the solution to those. In case the subscriber does not feel satisfied with the resolution, he may proceed with lodging the grievance.

For Nodal Offices:

- The fortnightly email alerts are sent to the Nodal Office for pending grievances. Now, these alerts are enhanced to have the details of all pending grievances.
- A facility is provided to Nodal Office under NPS Lite and APY to download the pending referrals for associated Subscriber. Also, email alerts will be sent to NPS Lite and APY Offices for all grievances raised & resolved during the day.
- The fortnightly email alerts will be sent to Oversight Offices under NPS Lite and APY regarding the grievances which are pending for more than 15 days under CGMS.

New features under eNPS

1. Hindi version of eNPS website

The bilingual version of eNPS website has been developed for convenience of NPS Subscriber. The Subscriber now have option to choose the desired language option (either English or Hindi) for Registration and/or Contribution through eNPS.

2. eSign for Aadhaar based Registration

In case of registration through Aadhaar, it was mandatory for Subscriber to submit physical Application Form within 90 days of completion of registration under eNPS. eSign facility (Aadhaar e-KYC services) has been integrated with eNPS platform to enable the Subscriber to sign his/her PRAN Application electronically. This process has eliminated the requirement of submission of physical documents to CRA.

New features in NPS Mobile App

1. Tier II Withdrawal

Subscriber can now initiate Tier II account withdrawal under NPS using Mobile App. The Subscriber will log into the App with their User ID and password. An option to select Tier II withdrawal and generate One Time Password (OTP) is available in Mobile App. On entering the correct OTP, Subscriber will have an option to select mode of Withdrawal - (i) lumpsum (amount), or (ii) scheme wise units. Once the option is selected and relevant details are submitted by the Subscriber, the same will get executed in the CRA system and funds will get transferred to Subscriber's Bank Account registered with CRA.

2. Aadhaar Seeding

The Subscriber can now link his/her Aadhaar to NPS account using Mobile App. The Subscriber will log into the App with his/her User ID & password and select the option of 'Add/Update Aadhaar Number'. The option will be available to the Subscriber to provide his/her Aadhaar. Once Aadhaar is entered, the details of Subscriber registered under NPS will

get authenticated with details available in UIDAI database. Post authentication, an OTP will be sent to the Subscriber's mobile number registered with UIDAI. The Subscriber will enter the OTP and on entering the correct OTP, Aadhaar will get seeded for the PRAN.

3. Reset password using OTP

Subscriber can now reset his/her password using Mobile App through OTP. The Subscriber is required to enter his/her PRAN, Date of Birth and set his/her new password and generate OTP. On entering the correct OTP received on his/her mobile (registered with CRA), the password becomes active. This option is in addition to the option of resetting password using secret question.

4. Mobile app for IOS and Windows platform users

Mobile app has been made available for subscribers using IOS and Windows platform.

5. Mobile app has been made available for NPS Lite and APY subscribers

New features under Atal Pension Yojana (APY):

1. ePRAN Card and Transaction Statement

The facility to download and/or print ePRAN Card and Transaction Statement is made available to APY Subscriber. The APY Subscriber can access their ePRAN Card and Transaction Statement through CRA NPS Lite website (www.npslite-nsdl.com). The Subscriber has an option to search their ePRAN Card and Transaction Statement with/without PRAN details. The Subscriber are then required to provide minimum details like PRAN and Bank Account Number or Subscriber Name, Bank Account Number and Date or birth registered in the CRA system under APY.

2. Alert for Grievances

An Email/SMS alert (along with Token No.) is sent to APY Subscriber on generation and resolution of a grievance in CRA system.

3. Online contribution made available for NPS - Lite Subscribers

Swawlamban Subscribers can contribute in their PRAN by clicking on Contribution button available on e-NPS landing page instead of going through the Aggregator.

4. Shifting of APY-SP/APY-SP Branch

APY subscribers can shift their Bank/Branch mapped to their APY account.

5. ePRAN for NPS Lite Subscribers

Subscribers of NPS Lite can now view their ePRAN card. To view PRAN card subscribers are required to provide their PRAN no. and bank account no. However, in case the subscriber does not remember their PRAN no., ePRAN card can be obtained by inputting other details such as bank account no., name and date of birth.

Online Subscriber Registration by DDOs

The facility to register Subscriber online using Online PRAN Generation Module (OPGM) is made available to Drawing and Disbursing Office (DDOs) for Government Sector. DDOs are allowed to capture the registration details of underlying subscribers and the same are verified by the associated DTOs/DTAs. Now based on requests received from some states, changes have been made in the OPGM such that DTO shall raise capture the registration details and associated DTA shall verify the same.

Earlier the nodal Offices were required to provide 26 digits PAOFIN in fund transfer instruction at the time of transfer of funds to TB. This has now been reduced to 13 digits to reduce instances of fund return due to incorrect PAOFIN.

Option for initiating online conditional withdrawal has been provided to DDOs.

Error Rectification Module (ERM)

An ERM request can be processed by the Nodal Office through whom the contributions were

uploaded in CRA system. In addition, now in case of State Govt., the facility to perform a single ERM transaction on behalf of all the underlying Nodal Offices is provided to the Oversight Office. This will save efforts and time of multiple ERM requests being captured by different Nodal Offices.

Online Corporate Registration

A facility for online registration is enabled for Corporates through eNPS platform. Corporate is required to provide the requisite registration details and select a POP for association and submission of the relevant documents for further processing. The registration details captured by the Corporate are to be authorized by associated POP.

Retirement Adviser

The Retirement Advisers (RAs) are appointed by PFRDA to engage in the activity of providing advice on NPS thereby to extend the reach of NPS. The RAs can be an individual, registered partnership firm, body corporate, or any registered Trust or society. The online platform has been developed and released in the CRA system to facilitate registration of an individual/entity as RA.

New CRA Toll Free Helpline

Dedicated toll free number (1800222081) is made available to Nodal Offices for contacting CRA regarding their general queries / complaints. This is in addition to an existing toll free number (1800222080) available for NPS Subscribers.

3.16.5 Pension funds

The management of the assets under NPS and any other scheme regulated / administered by PFRDA is done by professional fund managers appointed exclusively for this purpose.

Functions of Pension Funds

The functions of the Pension Funds include:

- a. Professional investment of assets under management as per investment

- guidelines prescribed by the Authority and in the best interest of subscribers.
- b. Scheme portfolio construction as per laid out schemes by the Authority.
- c. Maintenance of books and records of its operations.
- d. Reporting to the Authority and NPST at periodical interval.
- e. Public disclosure.

There are eight Pension Funds under NPS. The following three Pension Funds manages Government sector schemes and APY scheme

- i) LIC Pension Fund Limited
- ii) SBI Pension Funds Pvt. Ltd
- iii) UTI Retirement Solutions Ltd

The investment management fee charged by Pension Funds for managing the Govt. employees NPS portfolio is presently 0.0102 per cent per annum of the assets under management.

The private sector NPS schemes are managed by the following Pension Funds:

- i) HDFC Pension Management Co. Ltd.
- ii) ICICI Prudential Pension Fund Management Co. Ltd.
- iii) Kotak Mahindra Pension Fund Ltd.
- iv) LIC Pension Fund Ltd.
- v) Reliance Capital Pension Fund Ltd.
- vi) SBI Pension Funds Pvt. Ltd
- vii) UTI Retirement Solutions Pvt. Ltd

- vii) Aditya Birla Sun Life Pension Management Limited

3.16.6 The Trustee Bank

a) Trustee Bank:

Axis Bank Ltd. was selected Trustee Bank under NPS through an open bidding process with effect from 1st July 2015 for a period of 5 years, as per the terms of the PFRDA (Trustee Bank) Regulations, 2015.

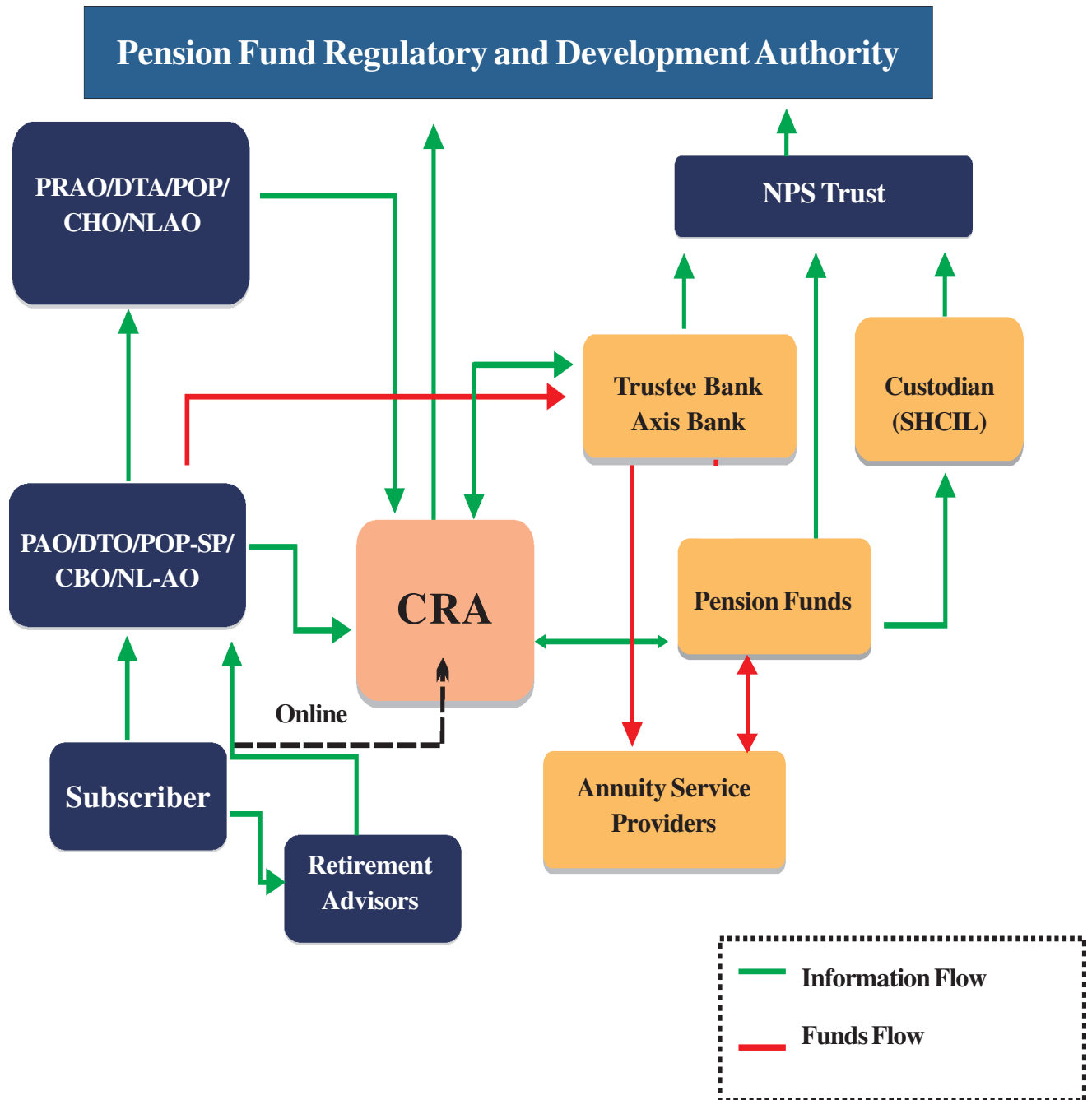
Roles and responsibilities of Trustee Bank:

- 1) Trustee Bank facilitates fund transfers across various entities of CRA system viz. Nodal Offices (uploading offices), Pension Fund Managers, Annuity Service Providers and subscribers.
- 2) Trustee Bank uploads a file containing the details of the funds received from various Nodal Offices to the CRA system. These details are then matched with contribution details provided by Nodal Office(s) to CRA system.
- 3) Trustee Bank receives fund transfer instructions from CRA system as a part of Pay-in process to transfer funds to various entities viz. PFMs, Annuity Providers, Withdrawal Account and may also receive funds from Pension Fund Manager(s).
- 4) Return of unidentified remittances or remittances with incomplete information to the concerned entity.
- 5) At the end of each settlement day, the balance funds at Trustee Bank account are reconciled with CRA system.

The following diagram depicts the role of Intermediaries in the NPS architecture:

Chart 3.5: NPS architecture and intermediaries

NPS-Architecture



c) Timelines for Trustee Bank

The business activities of Trustee Bank are linked with the other processes at CRA. Therefore, bank ensures that the activities are completed within the timelines specified. The chart given below gives the basic idea of the core activities and time limit within which the same is carried out by the Bank:

Table 3.25: Core activities of the Trustee Bank

Nature of Activity	Timelines
Return of unidentified funds	T+1
Upload of Fund Receipt Confirmation file (FRC)	T+1 (by 9:00 a.m.)
Download Pay- in instruction files from CRA	Daily
Transfer of matched and booked funds to Pension Fund Managers	T+1
Upload of statements and closing balance of various accounts	Daily

Note: (Assumption- Fund realisation at TB on day T)

1. Challenges faced

- i) **Pending SCFs-** Many Nodal Offices have uploaded SCFs twice or have not remitted funds corresponding to these SCFs. PFRDA tries its best to get these SCFs matched and booked within the prescribed timelines.
- ii) **Missing credit-** At times many Nodal Offices are not regular in remitting funds timely. PFRDA has continuously taken up the matter of missing credits in the PRAN of the subscribers with the concerned organisations- PAOs, so that the subscribers do not lose on investment opportunity as a result of the delay.
- iii) **Funds remitted with incomplete details-** Many Nodal Offices remitted funds to the Trustee Bank without

complete details like PAO id, Transaction Id, etc. These funds received by the Trustee Bank prior to May 2012, are lying unidentified for which Nodal Offices have neither provided Fund Transfer Details (FTDs) nor uploaded SCFs. PFRDA is continuously following it up with the Nodal offices for resolution of the same.

- iv) **Return of Outward remittances by TB to Subscribers -** The withdrawal funds remitted by TB to the subscribers gets returned due to various reasons, the most important of these being Incorrect bank details, Incorrect IFSC, mismatch in beneficiary name etc.

3.16.7 Pension Fund Regulatory and Development Authority (Trustee Bank) Regulations, 2015

PFRDA (Trustee Bank) regulations, 2015 had been notified on 23rd March, 2015.

The objective of the Pension Fund Regulatory and Development Authority (Trustee Bank) Regulations is to set standards for the eligibility, governance, organization and operational conduct of the entity who wish to function as Trustee Bank. Regulations would ensure an effective and credible use of inspection, investigation, surveillance and enforcement powers and implementation of an efficient compliance program in tune with the spirit of PFRDA Act.

3.16.8 The Custodian under the National Pension System

The custodian handles the security side of the transactions. The securities bought for the NPS trust are held by the custodian, who also facilitates securities transactions by making and accepting delivery of securities.

The functions of Custodian include:

- Maintaining details of securities held
- Collecting the benefits like dividend, rights, bonus etc. on securities

- Informing about the actions of the issuers of securities held that may impact the benefits.

The Stock Holding Corporation of India is acting as Custodian of Securities. The custodian charges are 0.0032% p.a. of asset under Custody.

3.16.9 The National Pension System Trust

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

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

Authority appoints a person with appropriate background and experience as Chief Executive Officer of the Trust (CEO) who is responsible for day-to-day administration and Management of the Trust subject to the superintendence, control and direction of the Board of The Board meets at least once in every three calendar months. The constitution of the NPS Trust Board as on March 31, 2018 is provided in the table below.

Table 3.26 : The constitution of the NPS Trust Board as on March 31, 2018

Sr. No	Name	Designation
1	Sh. Ashvin Parekh	Chairman & Trustee
2	Sh. Sanjeev Chanana	Trustee
3	Sh. Atanu Sen	Trustee
4	Sh. Dinesh Kumar Mehrotra	Trustee
5	Sh. Radhakrishnan Nair	Trustee

1. Management of NPS Funds by the NPS Trust

The NPS funds of subscribers held in the name of NPS Trust are managed by eight appointed pension funds on behalf of the Board of Trustees to realize and fulfill the objectives of the NPS Trust in the interest of the Subscribers. The Performance of the Pension funds are reviewed on a quarterly basis by NPS Trust and instructions/guidance is being given to them for protecting the interest of the subscribers.

2. Meetings of the Board of Trustees - NPS Trust held and important issues discussed for the benefit/protection of the interest of subscribers

During the financial year 2017 - 18, four meetings of the Board of Trustees - NPS Trust were conducted. The following are the important issues discussed for the benefit/protection of interest of the subscribers.

- Operationalization of 2nd Payment Gateway Service Provider for NPS.
- Monitoring of Performance of Pension fund managers (PFMs)
- Audit of NPS/APY Scheme Accounts.

3.16.10 : Other intermediaries including the Aggregator, etc.

Aggregators are the intermediaries identified and approved by PFRDA, to perform subscriber

interface functions under NPS-Swavalamban in respect of their constituent groups. The aggregators are the entities already in existence having continuous functional relationship with a known customer base for delivery of some socio-economic goods / services. During FY 2017-18 through re-registration of Aggregators, 10 Certificates of registration were issued.

The functions of aggregators include:

- Promotion of NPS and awareness about the need for old age income security among its constituent group members.
- Meeting the 'Know Your Customer' requirements in respect of potential NPS subscribers as mandated under AML/CFT requirements.
- Discharge of responsibilities relating to fund and data upload within prescribed time limits.
- Collection of contributions from subscribers and ensuring its passage to Trustee Bank.
- Ensuring availability of services to its underlying subscribers as mandated under NPS-Lite.
- Handling grievances received from subscribers and their resolution.
- Any other responsibility as assigned to them by PFRDA to ensure protection of subscribers' interest.

Retirement Advisor

The Retirement Advisers (RAs) are appointed by PFRDA to engage in the activity of providing advice on NPS thereby to extend the reach of NPS. The RAs can be an individual, registered partnership firm, body corporate, or any registered Trust or society. The online platform has been developed and released in the CRA system to facilitate registration of an individual/entity as RA.

With shift in the design of pension systems from

defined-benefit plans to defined-contribution plans where individuals need to make financial decisions and bear greater financial risk, selection of an appropriate investment pattern is crucial for the pension plan participants. India, considered to be low in financial literacy, demonstrates a tangible need for financial advice with respect to retirement decisions. Retirement advisors are playing an important role in guiding and helping consumers to have a better understanding of investment and pay-out options. This necessitates development of a pool of human resources having right skills and expertise in retirement advice and choosing appropriate pension/savings product for retirement quality intermediation to market participants.

Taking into account international experience and the needs of the Indian system of organised and unorganised workers, with a view to protecting the interests of retiring population and more importantly, for minimising risks of losses arising out of deficient understanding of the various options in the returns from the NPS, PFRDA has accredited National Institute of Securities Markets (NISM) as the accredited institute for Certification of the Retirement Adviser Certification Examination.

With the objective to provide a framework for eligibility, registration process, fees etc. of Retirement Adviser and to define the scope of work and responsibility of the Retirement Adviser to ensure orderly growth of pension sector, Pension Fund Regulatory and Development Authority (Retirement Adviser) Regulations, 2016 were notified by PFRDA.

3.16.11 Other functions carried out by the Authority in the area of pensions.

Increasing the maximum age of joining the NPS from the present 60 years to 65 years in NPS Private Sector i.e., NPS-All Citizen Model and Corporate Sector Model

As per the extant guidelines, any citizen in the age group of 18-60 years is eligible to join NPS on voluntary basis. After receiving feedback/

suggestions, during the interaction with the general public, corporate and intermediaries, there is revision in the joining age of NPS and the same is increased upto 65 years. The subscribers joining after the age of 60 years would be eligible to continue in the system upto the age of 70 years and during this period the subscriber may continue to contribute. Accordingly the asset allocation under the Life Cycle Fund has been designed, which may be referred in the circular available at PFRDA website.

Implementation of Cyber Security:

Finalisation and implementation of Cyber Security Policy for Intermediaries registered with PFRDA, the initiative is taken to tackle the issues aligned with national and international standards and matching it with best practices of the industry.

eNPS Online Platform

In light of "Digital India" campaign on promoting e-governance for providing last mile connectivity through extensive use of ICT (Information and Communications Technology) platforms, PFRDA has been pursuing the development and operationalization of online transaction facilities for the prospective as well as existing subscribers of NPS. Towards this end, an online platform for registration of subscribers and receipt of contribution under National Pension System (eNPS) through NPS Trust at www.npstrust.org.in has been developed. Through this platform, a prospective subscriber can register for NPS; contribute to his/her Permanent Retirement Account. Further, the subscribers who already have an NPS account can make contributions through eNPS directly. A prospective subscriber can visit NPS Trust website www.npstrust.org.in and select NPS Online menu to register and contribute to NPS. While registering, a Subscriber will provide his/her name & Permanent Account Number (PAN) details which will be validated online with the Income Tax Department. Subscriber will then

select the Bank (through which KYC verification to be done), fill up the personal details and upload photograph & signature. After filling up of details, the Subscriber will make contribution through net banking from the account of the selected Bank. Once payment is made, PRAN will be provided online to the Subscriber. The details submitted by the subscriber will be sent through CRA system to the selected Bank for KYC verification. After verification of KYC by the Bank, the PRAN will become active and operational. Subscriber will be required to print the form, paste photograph, affix signature and submit the physical form to CRA within a specified period while continuing contributing online.

Subscriber can make subsequent contribution online through net banking /debit card/credit card at any time and the same will be credited in the subscriber's PRAN account on T+2 basis. The complete information about eNPS is available in PFRDA website www.pfrda.org.in and also on NPS Trust website www.npstrust.org.in. As per CRA-NSDL and Karvy website, presently 26 banks viz Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, HDFC Bank Limited, ICICI Bank Limited, IDBI Bank Limited, Indian Bank, Indian Overseas Bank, Kotak Mahindra Bank Limited, Oriental Bank of Commerce, State Bank of India, Syndicate Bank, Tamilnad Mercantile Bank Ltd, The Karur Vysya Bank, The Lakshmi Vilas Bank Limited, The South Indian Bank Limited, UCO Bank, Union Bank of India, United Bank of India & Vijaya Bank are offering services through eNPS platform. As on 31st March 2018, 2.75 lakh Tier I accounts and 0.86 lakh Tier II accounts have been opened through eNPS.

APY Online Tools

PFRDA has offered several online features to facilitate subscribers for access of APY features without visiting the bank/post branch, such as:

No.	Digital Utility	Benefits
1	APY Grievance Module	Module can be used for lodging a grievance and checking the status of grievances raised by the subscribers. The Subscribers can use the facility with or without PRAN.
2	APY Upgrade / APY Downgrade View	APY subscribers can upgrade/downgrade a pension amount once in a year. The feature enables the user to check the differential amount to be deposited/ to be received back as per the new guaranteed pension amount chosen. Higher amount needs to be deposited in case of upgrade and additional contributions would be returned to the subscribers in case of down grade.
3	ePRAN card/ e SoT facility	Useful for downloading of transaction statement and ePRAN card. The option contains a search with PRAN and without PRAN. The subscriber can download Transaction Statement financial year wise.
4	Aadhaar Seeding	The OTP based feature wherein Aadhaar can be seeded in APY account by providing PRAN & aadhaar number. On successful submission, an acknowledgement number will be provided towards confirmation.
5	APY@eNPS (Digital On boarding facility into APY)	Digital APY enrolment through eNPS ensures wider reach. It is a user friendly platform and makes enrolment under APY in a complete end to end digital interface without submission of physical form by the prospective subscribers and without visiting a bank branch.
6	Mobile Application	APY Mobile applications empower the subscribers to view Statement of Account and other details of their APY account. APY subscribers with smart phones can down load APY mobile applications from google store and install in their mobile phones for real time viewing of APY Accounts.

- **eAPY(banks)**

As on Mar/31/2018, 24 Banks including major banks have enabled APY Subscriber Registration through e-NPS (online) portal and 791 subscriber registration request have been processed.

- **Small finance Banks and Payment banks**

Payments banks and Small Finance Banks are a new model of banks conceptualized by the Reserve Bank of India (RBI). 11 Payment Banks and 10 Small Finance Banks have received license from Reserve Bank of India to start

banking operations in India. Small Finance Banks and Payment Banks are new age banks and given the strength of the bank, expertise and out reach, Small Finance Bank and Payment Bank can play a pivotal role in outreach of subscribers under APY.

To strengthen the existing channels of APY distribution, it was felt that these new Payments Banks and Small Finance Banks will provide a boost to the outreach of subscribers under APY.

As on 31st March, 2018, the following Small Finance Banks are registered in CRA system:

Sr. No	Name of the APY Service Provider	State Name
1	Paytm Payments Bank Limited	Uttar Pradesh
2	ESAF Small Finance Bank Limited	Kerala
3	Suryoday Small Finance Bank Limited	Maharashtra
4	Airtel Payments Bank Limited	Haryana
5	AU Small Finance Bank Limited	Rajasthan

APY state wise performance sheet is at Annexure I

PART IV

4.1 Pension Advisory Committee

Section 45 of PFRDA Act provides for constitution of a Pension Advisory Committee with representations from employees, associations, subscribers, commerce & industry, intermediaries and organization engaged in pension research to advise the Authority on matter relating to the making of regulations or as may be referred to it. During the year under reference, the Pension Advisory Committee meetings took place i.e. on April 24, 2017, and March 26, 2018 at New Delhi.

The following agenda items were taken up for discussion in the Ninth Meeting of PAC, 24th April, 2017:

- Increasing the maximum age of joining National Pension System (NPS) from the present 60 years to 65 years in NPS-Private Sector i.e. NPS-All Citizen Model and Corporate Sector Model.
- Selection of POPs for promotion of NPS through competitive bidding process.
- Guidelines for selection of default Pension Fund.
- Feasibility of investment Guidelines applicable to various schemes under NPS for Pension Fund having small Asset Under Management (AUM).

The following agenda items were taken up for discussion in the Tenth Meeting of PAC, March 26, 2018:

- Proposal to have a single unified regulation to cover all the distribution channels covering the pension schemes regulated and administered by PFRDA by amending the existing PFRDA (Point of Presence (PoP)) Regulations, 2015

including, Aggregators and Atal Pension Yojana (APY) service providers under the regulation.

- Exposure draft on granting perpetual registration to CRAs.
- Inputs/ Feedback on Proposal to amend Exit Regulations.
- Proposal on New Credit Rating System (EL) for Investments in Infrastructure Projects by pension funds.
- Concept Note on increasing cap on equity investment in active choice to 75% from current 50% for Private Sector Subscribers.

4.2 Regulations Made or Amended

The information pertaining Regulatory Development during FY 2017-18 is as under:

1. New Regulations notified during FY 2017-18: NIL
2. Amendments in the Regulations during FY 2017-18:

Table 4.1: Following amendments have been notified during Apr 2017 - Mar 2018:

S.N.	Amendments in the Regulations	Date of Gazette Notification
1.	Pension Fund Regulatory and Development Authority (Retirement Adviser) (First Amendment) Regulations, 2017	28 th April 2017
2.	Pension Fund Regulatory and Development Authority (Retirement Adviser) (Second Amendment) Regulations, 2017	26 th May 2017
3.	Pension Fund Regulatory and Development Authority (Retirement Adviser) (Third Amendment) Regulations, 2017	11 th September 2017
4.	Pension Fund Regulatory and Development Authority (Retirement Adviser) (Fourth Amendment) Regulations, 2017	28 th December 2017
5.	Pension Fund Regulatory and Development Authority (Point of Presence) (Second Amendment) Regulations, 2017	28 th April 2017
6.	Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017	10 th August 2017
7.	Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Second Amendment) Regulations, 2017	6 th October 2017
8.	Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Third Amendment) Regulations, 2018	2 nd February 2018

4.3 Constitution of Committee for utilization of Subscriber Education and Protection Fund

As per Section 6 of PFRDA (Subscriber Education and Protection Fund), Regulations, 2015 a committee was constituted on 7th December 2017 for recommending subscriber education, awareness and protection activities and for utilization of the Fund. The Committee shall recommend utilization of fund for educational activities including seminars, symposia, workshops, training, research and publications, distribution of literature, etc. aimed at subscribers across different:

- a. geographical locations including metros, non-metros and smaller towns,
- b. income groups, age groups; and sectors including unorganized sectors, corporates, self-help groups and others.

The committee may recommend awareness

programmes through - print, electronic media aimed at subscribers' education and protection of their interest.

4.4 Committee on Housing Assistance for NPS Subscribers

A committee was constituted to explore feasibility of the NPS (National Pension System) subscribers be provided financing facilities for residential housing in November 2016. The Committee examined the desirability and feasibility of refining the existing provisions of the NPS to incorporate housing finance facilities to its subscribers. It examined it from the perspective of both mandatory subscribers (mandated Union, State and other Public Sector Organisations employees), and for those joining the NPS on a voluntary basis. The implications of incorporating housing finance provisions in the NPS for subscribers, government and other stakeholders was examined by the Committee. The Committee met once in FY 2017-18.

PART V

Organizational Matters of the Pension Fund Regulatory and Development Authority

5.1 Constitution of PFRDA Board

Section 4 of the PFRDA Act provides for the composition of the Authority consisting of a Chairperson, three whole time members; and three part-time members to be appointed by the Central Govt. As on 31.03.2018 the composition was as under:

(i) Chairman

Shri Hemant G. Contractor is the first Chairman to head the statutory Pension Fund Regulatory and Development Authority (PFRDA) after notification of PFRDA Act in 2014. He joined PFRDA on 7th October 2014. Prior to joining PFRDA he was a career banker, joining State Bank of India (SBI) as Probationary Officer in 1974.

(ii) Whole-Time Members

1. Dr. B.S. Bhandari, Whole-Time Member (Economics) from 16.05.2014 till date.
2. Shri Pradeep Chaddah, Whole-Time Member (Law) from 30.06.2016 till 26.03.2018.
3. Sh. Supratim Bandopadhyay, Whole-Time Member(Finance) from 12.03.2018 till date.

(iii) Part-Time Members

1. Ms. Vandana Sharma, Additional Secretary, Department of Pension and Pensioner's Welfare from 12th December 2014 to 11th August, 2017.
2. Ms. Annie George Mathew, Joint Secretary, Department of Expenditure from 12th December 2014 till date.
3. Mr. Suchindra Misra, Joint Secretary, Department of Financial Services from 23rd June 2016 till 03rd November, 2017.
4. Shri Sanjiv Narain Mathur, Joint Secretary, DPPW, Ministry of Personnel, P G and Pensions, Part-Time from 11th August, 2017 till date.
5. Shri Madnesh Kumar Mishra, Joint Secretary, DFS, Ministry of Finance, Part- Time Member from 03rd November, 2017 till date.

5.2 Meetings of the Authority

Seven meetings which includes matters decided through circulation of the Authority were held during financial year 2017-18

Table 5.1: Authority Meeting FY 2017-18:

1.	63 rd	Authority meeting held on	28 th April 2017 Friday
2.	64 th	Authority meeting held on	28 th June 2017 Wednesday
3.	65 th	Authority meeting held on	16 th August 2017 Wednesday
4.	66 th	Authority meeting held on	05 th October, 2017 Thursday
5.	67 th	Authority meeting held on	07 th December 2017 Thursday
6.	68 th	Authority meeting held on	24 th January 2018 Wednesday
7.	69 th	Authority meeting held on	Through e-Circulation

Several important decisions as per the PFRDA Act were taken during the Board meetings including:

- | | |
|---|---|
| <ul style="list-style-type: none"> i) Information to the Board regarding recent issuance of Certificate of Registration to 3 PoPs, 3 PoP-Corporate & 1 PoP-Sub Entity under PFRDA(PoP) Regulations 2015 and 10 Aggregators under PFRDA (Aggregator) Regulations 2015. ii) Issuance of RFP for selection of training agency and appointment of IL & FS Skill development Corporation Ltd for North-West zone. iii) Amendments in PFRDA (Retirement Adviser) Regulations, 2016, related to clarity on Security Deposit, RAs risk profiling & details of infrastructure. iv) Cyber Security policy for intermediaries under NPS architecture. v) Change in investment pattern. vi) Implementation of RBS in NPS architecture. vii) Guidelines on outsourcing of activities by Pension Funds. viii) Appointment of Designated Member under PFRDA (Redressal of Subscriber Grievance) Regulations, 2015. ix) Designation of WTM(Economics) as Member In-charge of Investigation and surveillance and WTM(Law) as member who shall impose penalty under Section 30 read with PFRDA (Procedure for Inquiry by Adjudicating Officer) Regulations, 2015. x) Annual Accounts of PFRDA for Financial Year 2016-17 . xi) Annual Report 2016-17. xii) Revision of service charges payable to the Points-of-Presence (POPs) under the NPS Private sector. | <ul style="list-style-type: none"> xiii) Re-allocation of funds among PFs for Central Government and State Government Sector for FY2017-18. xiv) Proposal to amend Exit regulations facilitating easy exit & withdrawal in case of disability and incapacitation of the subscriber covered under NPS. xv) Proposal to have a single unified regulation to cover all the distribution channels covering the pension schemes. xvi) Concept Note on increasing cap on equity investment in active choice to 75% from current 50%. xvii) Extension of the tenure of Sh. Ashwin Parekh as a Trustee and continuation as the Chairperson on the Board of National Pension System Trust under PFRDA (NPS Trust) Regulations, 2015. xviii) Resignation of Sh. N. D. Gupta from the trusteeship on the Board of NPS Trust. xix) Appointment of Trustees on the Board of NPS Trust, in terms of PFRDA (NPS Trust) Regulations, 2015. xx) Appointment of Shri Atanu Sen as Trustee on the Board of National Pension System. xxi) Confirmation/ ratification of appointment of Sh. Atanu Sen as Trustee on the Board of NPS Trust. |
|---|---|

5.3 Staff Strength in PFRDA

As on 31st March, 2018 the staff strength of PFRDA is 63 out of which 61 are in officer cadre. Further, out of 63 officers in PFRDA, 7 officers are presently reporting to Chief Executive Officer, NPS Trust till the regular staff is deployed in NPS Trust.

During F.Y. 2017-18, 17 (Nos) officers were appointed in Grade 'A' (Assistant Manager) in the Authority on direct recruitment basis. Internal promotion exercises were undertaken in the Authority thereby promoting 2 officers

in Grade 'F' to Executive Director, 1 officer in Grade 'E' to 'F', 6 officers in Grade 'D' to 'E' and 5 officers in Grade 'C' to 'D'. Shri Supratim Bandopadhyay was appointed as Whole Time Member (Finance) by the Department of Financial Services, Ministry of Finance, Govt. of India, assumed his posts w.e.f 12.03.2018.

5.4 Setting up of SC/ST Cell and OBC Cell in PFRDA

To implement Government instructions on welfare of SC/ST/PWD employees, a cell has been set up in PFRDA. A General Manager grade officer has been nominated as Liaison Officer for SCs/STs/PWDs. Also, a separate cell for welfare of OBCs has been set up in PFRDA. A Deputy General Manager grade officer has been nominated as Liaison Officer for OBCs.

5.5 Committee for Prevention of Sexual Harassment at Workplace

A Committee for prevention of Sexual Harassment at workplace is in place for receiving complaints, holding enquiry etc. in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

5.6 Staff Welfare Committee

A Staff welfare Committee has been constituted in PFRDA to identify and organize various staff welfare activities. The Committee will help evolve measures for securing and preserving good relations amongst the employees and also between employees and the management. A Deputy General Manager grade officer has been nominated as Chairperson of the Staff Welfare Committee.

5.7 Training of employees in PFRDA

During the financial year 2017-18, newly joined officers were given Induction Training and 4 officers were nominated by PFRDA for trainings/workshops on various subject areas like Reservation Policy Implementation and Income Security for Older Persons in South Asia

organized by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP).

5.8 Promotion of Official Language

PFRDA has set up an Official Language Cell to implement the official language policy of Government of India and ensure the implementation of Rajbhasha Act, 1963 and Rajbhasha Rules, 1976 and to promote use of Hindi in day to day functioning of PFRDA. Communications received in official language are also replied in official language. All regulations framed by PFRDA are bilingual. Keeping in view the large customer base of NPS consisting of various sections of the society, the contents available in English are being translated into Hindi for the benefit of subscribers.

5.9 Right to Information:

PFRDA is implementing the Right to Information Act, 2005. There is a dedicated cell to process the applications received under the Right to Information Act, 2005 which is under Central Public Information Officer. As provided in the RTI Act, PFRDA has an official as the Appellate Authority (AA) where appeals can be made against an order of the CPIO.

Section 4 of the RTI Act casts obligation on every public authority to make certain disclosures. The focus of the disclosure is transparency in the working and functioning of PFRDA. In this regard, PFRDA has put in place various functions, duties, powers and duties of its officers, rules, regulations, manuals etc. All the relevant acts, regulations are available on PFRDA website.

During the year 2017-18, 571 RTI applications and 54 first appeals were received till 31st March, 2018 interalia regarding contribution under National Pension System (NPS), opening, transfer, withdrawal & exit from NPS, APY scheme etc. All the applications and appeals were replied/disposed within the stipulated time as prescribed under RTI Act, 2005.

Any citizen can request for information under RTI by making an appropriate application in writing with the prescribed fees to the Central Public Information Officer, Pension Fund Regulatory and Development Authority, First Floor, Chatrapati Shivaji Bhawan, B-14/A, Qutab Institutional Area, New Delhi 110016 and/or can also file an RTI under RTI Act, 2005 on online portal available at www.pfrda.org.in.

During 2017-18, PFRDA received number of Parliamentary Questions, referred by the Government of India, mainly from the Ministry of Finance on various aspects of old age income security comprising queries on NPS and APY . PFRDA has furnished information and material for reply/replies in a time bound manner for facilitating replies to the same.

5.10 Accounts of PFRDA

During the financial year 2017-18 PFRDA received a grant of Rs. 15.00 crore from Government of India. The Atal Pension Yojna was announced in the budget speech for the FY 2015-16. The pension scheme is meant for all citizens in the age group of 18-40 years, with a focus on persons belonging to unorganized

sector. All subscribers under NPS- lite/ Swavalamban between the age of 18-40 years are eligible to shift to Atal Pension Yojana.

During the financial year 2017-18, PFRDA has received a grant of Rs. 167.72 crores under the scheme, towards Govt co-contribution, Incentive to service providers and other promotional activities.

An amount of Rs. 43.04 cr was received as Grant from Govt of India for Swavalamban Scheme Govt Co-contribution and Promotion.

The accounts of the authority for the financial year 2017-18 have been finalized as per the Pension Fund Regulatory and Development Authority (Form of Annual Statement of Accounts and Records) Rules, 2015. The accounts were approved by the PFRDA Board in its 74th Board meeting held on 09.10.2018. The Balance Sheet and Income & Expenditure Accounts of PFRDA along with Schedules forming part of the financial statements are placed at Annexure -V. In accordance with the provisions of the PFRDA Act 2013, the accounts of PFRDA for the financial year 2017-18 will be forwarded to the Comptroller and Auditor General of India for audit.

PART VI

Any critical area adversely affecting the interest of subscribers

6.1 Partial EEE status of NPS

NPS is at a disadvantage compared to other pension/provident fund schemes such as EPF PPF, CPF (Contributory Provident Fund) Schemes in so far as tax treatment of the retirement corpus is concerned. While 40 per cent of the accumulated retirement corpus when withdrawn as lump sum on superannuation is exempt from tax, it is not completely tax free as the other schemes mentioned above are, and therefore suffers in comparison. There is a need to provide a level playing field to NPS vis-à-vis other competing products with respect to employer's contribution and tax treatment of the final withdrawals.

6.2 Age limit of 40 years for joining APY

NPS Swavalamban which was started for unprivileged unorganised sector workers has been discontinued from w.e.f April 2015. In place of Swavalamban scheme APY has been launched which provides guaranteed benefits to the underlying subscribers. Subscribers of Swavalamban scheme have been given option to migrate to APY. However, APY scheme allows entry of subscribers till the age of 40 (from 18 completed to 40 running). This leads to barrier for the entry of the age group of 41 year - 60 years, which is also the period for surplus income in an individual's life cycle. Therefore, to make the scheme available to more people, the age of eligibility may be extended from present 40 years.

6.3 Choice of Fund Managers and Investment classes

The pension funds of the Central Government

employees are currently being allocated amongst the three public sector pension funds (UTI PFM, SBI PFM, LIC PFM) in the ratio of their returns. The investment pattern for the Central Govt. employees is also stipulated by the Government, having a preponderance of fixed income securities, which can currently go upto 95% while the maximum exposure in Equities is restricted to 15%.

PFRDA Act provides for opportunities to the subscriber to maximize his returns in the risk return paradigm. Section 20(2) of PFRDA Act, 2013, states that there shall be a choice of multiple pension funds and multiple schemes. Hence, post the notification of the PFRDA Act there is needed to align the investment framework for the Govt. employees including Central Govt. employees. The subscribers under the private sector are already enjoying a choice in the selection of Pension Fund Manager (both public and private sector PF) as well as the choice to allocate funds amongst the four asset classes Equity (E), Corporate Debt (C) and G (Govt. securities) and A with only ceiling of 50% on equity and 5% on A. On the other hand, the investment pattern for the Central Govt. employees prescribes preponderance of fixed income securities, which can currently go upto 95% while the maximum exposure in equities is restricted to 15%, effectively limiting subscriber choice.

Thus, on the grounds of parity, and keeping in view the spirit of the PFRDA act to allow choice of schemes, it is essential to revisit the framework for investment by the Central Government employees and allow them choice of investment as available to the Private Sector employees.

6.4 Statutory obligations that the Authority has not complied

6.4.1 Minimum Assured Returns Scheme (MARS)

Under Section 20(2) (d)(b) of PFRDA Act, the subscriber, seeking minimum assured returns, shall have an option to invest his funds in such schemes providing minimum assured returns as may be notified by the Authority. However, Section 20(2) (d)(g) states there shall not be any implicit or explicit assurance of benefits except market-based guarantee mechanism to be

purchased by the subscriber. Construing the two sub sections harmoniously, it is evident that a scheme providing minimum assured return has to be made available. However, the same has to be based on a market based guaranteed system. PFRDA in consultation with Department of Financial Services, Ministry of Finance is exploring the possibility of floating at least a Capital Protection Scheme, which would be market based and does not cast an onerous capital solvency responsibility on hitherto non capital intensive structure of pension funds.

PART VII

Any other measure taken by the Authority to protect the interest of subscribers to the National Pension System and other pension schemes under the Act.

7.1 As mentioned previously, apart from that, there are other initiatives taken by the Authority to protect the interest of the subscribers.

The following steps have been taken in recent past for the convenience of the subscriber:

- The investment guidelines have been revised to have opportunities for optimization of returns.
- Private sector (All Citizen Model & Corporate Sector) subscribers can join the NPS upto the age of 65 years and remain in the system till 70 years and during this period the subscriber may continue to contribute. Accordingly, risk minimization has been taken care of under default mode through Life Cycle Fund. Digital APY enrolment through eNPS is a user friendly platform and makes enrolment under APY hassle free. It is a complete end to end digital interface without submission of physical form. The subscription amount auto debited periodically.
- APY Mobile applications were launched to empower the subscribers to view Statement of Account and other details of their APY account. APY subscribers with smart phones can down load APY mobile applications from google store and install in their mobile phones for real time viewing of APY Accounts.
- Select banks are offering the APY through their internet banking channel.
- Various functionality developments have been undertaken by the CRAs under NPS related to NPS- Mobile App-Central Grievance Management System, development in NPS Regular Subscriber registration & contribution, NPS Regular-FATCA CRS Certification, OPGM, NPS Lite- FATCA, CRA Certification, eNPS enhancement, enhancement in eKYC verification, Mobile App - Reset password using OTP these development has impact on fast processing of application and contribution or any operational request of the subscriber.
- Online registration of RAs has also been initiated.
- SMS based alerts for account transactions, reminder for contribution payment etc. is done periodically.
- Simplification in withdrawal process, now, it has been decided by PFRDA that the requirement of submission of original death certificate by spouse or the nominee in case of death claim by subscribers of APY need not be insisted upon. However a copy of death certificate duly verified by the concerned bank branch/DoP as a true copy is suffice to process the claims.

Annexure I

State wise APY Subscribers registration

Sr. No	State Name	Total subscribers as on 31.03.2017 (PRANs Generated)	No. of Registered Subscribers during FY 2017-18 (PRANs Generated)	Total subscribers as on 31.03.2018 (PRANs Generated)
1	Andaman & Nicobar Islands	1,907	1,687	3,594
2	Andhra Pradesh	3,55,433	2,77,656	6,33,089
3	Arunachal Pradesh	4,276	3,301	7,577
4	Assam	69,146	1,39,362	2,08,508
5	Bihar	5,31,810	5,03,691	10,35,501
6	Chandigarh	8,723	6,545	15,268
7	Chhattisgarh	74,616	81,750	1,56,366
8	Dadra and Nagar Haveli	4,720	5,876	10,596
9	Daman & Diu	6,897	12,980	19,877
10	Delhi	93,827	80,057	1,73,884
11	Goa	13,221	12,408	25,629
12	Gujarat	2,55,133	2,15,423	4,70,556
13	Haryana	1,08,993	1,01,856	2,10,849
14	Himachal Pradesh	38,784	30,500	69,284
15	Jammu & Kashmir	29,565	11,818	41,383
16	Jharkhand	96,851	1,22,728	2,19,579
17	Karnataka	3,39,084	3,23,761	6,62,845
18	Kerala	1,06,919	1,03,929	2,10,848
19	Lakshwadeep	2,244	1,422	3,666
20	Madhya Pradesh	2,44,158	2,39,725	4,83,883
21	Maharashtra	4,06,242	3,29,202	7,35,444
22	Manipur	7,226	4,047	11,273
23	Meghalaya	8,328	2,857	11,185

Sr. No	State Name	Total subscribers as on 31.03.2017 (PRANs Generated)	No. of Registered Subscribers during FY 2017-18 (PRANs Generated)	Total subscribers as on 31.03.2018 (PRANs Generated)
24	Mizoram	9,065	5,506	14,571
25	Nagaland	18,329	14,441	32,770
26	Orissa	1,86,161	1,51,818	3,37,979
27	Pondicherry	7,948	10,322	18,270
28	Punjab	1,61,388	1,63,655	3,25,043
29	Rajasthan	2,84,403	2,04,115	4,88,518
30	Sikkim	6,941	14,815	21,756
31	Tamil Nadu	3,45,162	4,45,320	7,90,482
32	Telangana	1,34,548	1,18,715	2,53,263
33	Tripura	12,186	12,753	24,939
34	Uttar Pradesh	6,38,071	7,24,243	13,62,314
35	Uttaranchal	40,653	43,186	83,839
36	West Bengal	2,54,539	2,75,593	5,30,132
37	NRI / Others **	232	669	901
	Total	49,07,729	47,97,732	97,05,461

The snapshot of the Target vs Performance for FY 2017-18 is as:

Category of Service Providers	No. of registered branches	Target for FY 2017-18	Achievement as on 31.03.2018	% of Achievement
Major Banks*	100975	7068250	3836274	54%
Regional Rural Bank	21103	1266180	871919	69%
Other Private Bank	9741	292230	46422	16%
Co-operative Bank#	9602	192040	11723	6%
Dept of Post	19622	1000000	55367	6%
Total	161043	9818700	4821705	49%

* Includes Public Sector Banks, ICICI Bank Ltd, HDFC Bank Ltd, Axis Bank Ltd & J&K Bank

Includes Urban Cooperative Banks, District Central Cooperative Banks & State Apex Banks.

Annexure II

List of Point of Presence under NPS as on 31st March, 2018

Sr. No.	POP Name	No. of POP-SPs Associated
1	Abhipra Capital Limited	65
2	Alankit Assignments Limited	288
3	Allahabad Bank	286
4	Andhra Bank	1,761
5	Asit C Mehta Investment Intermediates Limited	1
6	Axis Bank Limited	3,532
7	Bajaj Capital Limited	83
8	Bank of Baroda	5
9	Bank of India	5
10	Bank of Maharashtra	1,851
11	Canara Bank	3,568
12	Central Bank of India	4,647
13	Computer Age Management Services Private Limited	227
14	Corporation Bank	2,291
15	CSC e-Governance Services India Limited	1
16	Dayco Securities Private Limited	28
17	DBFS Securities Limited	1
18	Dena Bank	1,449
19	Elite Wealth Advisors Limited	1
20	Eureka Stock And Share Broking Services Limited	11
21	Gujarat Infotech Limited	1
22	HDFC Bank Limited	3
23	HDFC Securities Limited	1

Sr. No.	POP Name	No. of POP-SPs Associated
24	ICICI Bank Limited	1,563
25	ICICI Securities Limited	34
26	IDBI Bank Limited	1,890
27	IL&FS Securities Services Limited	38
28	India Infoline Finance Ltd	1
29	India Post NPS Nodal Office	808
30	Indian Bank	1,834
31	Indian Overseas Bank	3,279
32	IndusInd Bank Limited	805
33	Integrated Enterprises (India) Private Limited	103
34	Karnataka Bank Limited	775
35	Karvy Stock Broking Limited	8
36	Kotak Mahindra Bank Limited	848
37	LICHFL Financial Services Limited	1
38	Marwadi Shares and Finance Limited	79
39	Muthoot Finance Limited	33
40	Narnolia Securities Limited	1
41	NJ India Invest Private Limited	1
42	Oriental Bank of Commerce	984
43	PAYTM Payments Bank Limited	1
44	Prudent Corporate Advisory Services Limited	1
45	Punjab and Sind Bank	914
46	Punjab National Bank	6,976
47	RBL Bank Limited	201
48	Reliance Capital Limited	140

Sr. No.	POP Name	No. of POP-SPs Associated
49	Religare Securities Limited	12
50	SBICap Securities Limited	1
51	SMC Global Securities Limited	27
52	State Bank of India	22,430
53	Steel City securities Limited	47
54	Stock Holding Corporation Of India Limited	213
55	Syndicate Bank	3,478
56	Tamilnad Mercantile Bank Ltd	510
57	The Federal Bank Ltd	1,073
58	The Karur Vysya Bank	710
59	The Lakshmi Vilas Bank Limited	507
60	The South Indian Bank Limited	871
61	UCO Bank	1,851
62	Union Bank Of India	3,872
63	United Bank of India	1,098
64	UTI Asset Management Company Limited	152
65	Ventura Securities Limited	1
66	Vijaya Bank	1,247
67	Way2Wealth Brokers Private Limited	2
68	Yes Bank Limited	86
69	Zen Securities Limited	27
70	eNPS*	1
	Total	79,640

* Online registration platform

Annexure III

List of Aggregators under NPS as on 31st March, 2018

Sr. No.	Aggregator Name
1	A.P. Building and Other Construction Workers Welfare Board
2	Abhipra Capital Ltd.
3	Adhikar Microfinance Private Limited
4	Alankit Assignments Ltd.
5	Allahabad Bank
6	Allahabad UP Gramin Bank
7	Andhra Bank
8	Assam Gramin Vikash Bank
9	Bandhan Bank Ltd.
10	Banaskantha Dist. Co-op Milk Producers Union Limited
11	Bandhan Konnagar
12	Bank of Baroda
13	Bank of Maharashtra
14	Baroda Gujarat Gramin Bank
15	Baroda Rajasthan Kshetriya Gramin Bank
16	Building & Other Construction Workers Welfare Board Rajasthan
17	BWDA Finance Ltd. (BFL)
18	Canara Bank
19	Cashpor Micro Credit Head Office
20	Centre For Development Orientation And Training (Cdot)
21	Csc E-Governance Services India Limited
22	Dena Bank
23	Department Of Women & Child Development
24	Esaf Small Finance Bank Ltd.
25	Grameen Koota Financial Services Pvt Ltd.

Sr. No.	Aggregator Name
26	Gujarat Infotech Limited
27	IDBI Bank Ltd.
28	IFMR Rural Finance Services Pvt. Ltd.
29	Indian Bank- Banking Operations Dept.
30	Indian Overseas Bank
31	Indur Intideepam Macs Federation Ltd.
32	Janalakshmi Financial Services Pvt Ltd.
33	Jharkhand Building & Other Construction Workers Welfare Board Ranchi
34	Karnataka State Unorganised Workers Social Security Board Bangalore
35	Lic Housing Finance Ltd.
36	Life Insurance Corporation of India
37	Madhya Bihar Gramin Bank
38	Oriental Bank of Commerce
39	Punjab National Bank
40	Samhita Community Development Services
41	Sarva Haryana Gramin Bank
42	Shree Kshethra Dharmasthala Rural Development Project
43	Shri Mahila Sewa Sahakari Bank Limited
44	Society For Elimination of Rural Poverty
45	State Bank of India
46	Swayamshree Micro Credit Services
47	Syndicate Bank
48	The South Indian Bank Ltd.
49	Uco Bank
50	United Bank of India
51	Vijaya Bank
52	Dept. of Post

Annexure IV

Composition of Pension Advisory Committee (PAC) and issues discussed during PAC meetings

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Mr. D.V.S.S.V. Prasad, Chief Executive Officer, Fixed Income Money Market and Derivatives Association of India 2. Mr. P.K. Rath, Chair Professor- Life, National Insurance Academy, Pune 3. Chairman, National Pension System Trust 4. Mr. Gagan Rai, Managing Director & CEO, NSDL e-Governance Infrastructure Limited 5. Mr. Leo Puri, Director, The Association of Mutual Funds in India 6. Dr. L H Manjunath, Executive Director, Shree Kshethra Dharmasthala Rural Development Project 7. Mr. Kulin Patel, Senior Actuary and Director - Client Account Management, Towers Watson, Gurgaon 8. Ms. Meghana Baji, Chief Executive Officer, ICICI Prudential Pension Funds Management Co. Ltd 9. Mr. V.G. Kannan, Chief Executive, Indian Banks' Association 10. Mr. R. Sridharan, Managing Director, The Clearing Corporation of India Ltd | <ol style="list-style-type: none"> 11. Mr. Shailendra Kumar, Managing Director & CEO, SBI Pension Funds Pvt. Ltd 12. Director, National Institute of Bank Management, Pune 13. Deputy Director General (Establishment), Postal Directorate 14. Principal Secretary, Finance, Government of Rajasthan 15. Ms. Renuka Sane, Visiting Assistant Professor, Indian Statistical Institute, New Delhi 16. The Chairman, Committee on Banking Insurance and Pension of ICAI, New Delhi 17. Ms. Jyoti Vij, Deputy Secretary General, FICCI, New Delhi |
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Annexure V

FORM A

[See Rule 3(a)]

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
BALANCE SHEET AS ON 31-03-2018

(Unit-Indian Rupee)

Liabilities	Schedule	Current year	Previous year	Assets	Schedule	Current year	Previous year
1. Corpus/Capital Fund	1	20,89,66,154	17,56,81,330	1. Fixed Assets Gross block	8	2,11,92,797	1,85,14,502
2. Reserves and Surplus	2	-	-	Less: Depreciation		1,29,39,764	1,29,39,734
3. Earmarked/ Endowment funds	3	1,80,59,540	1,64,05,649	Net Block		82,53,032	55,74,768
4. Secured loans and borrowings	4	-	-	2. Investments from Earmarked/ Endowment Fund	9	1,70,21,896	1,62,34,293
5. Unsecured loans and borrowings	5	-	-	3. Investment-Others	10	27,00,00,000	-
6. Deferred credit liabilities	6	-	-	4. Current assets, Loans, Advances etc.	11	75,41,60,564	79,79,85,352
7. Current liabilities and provisions	7	82,24,09,799	62,77,07,434	5. Miscellaneous expenditure (to the extent not written off or adjusted)		-	-
Total		1,04,94,35,493	81,97,94,413	Total		1,04,94,35,493	81,97,94,413
Significant Accounting Policy	24						
Contigent Liabilities and Notes on Accounts	25						

Note:- All Schedules to Balance Sheet shall form part of Account.

Place: New Delhi
Date: 04.10.2018Ashish Kumar Bharati
Chief Accounts OfficerS. Bandyopadhyay
MemberDr. B.S. Bhandari
MemberHemant G. Contractor
Chairperson

FORM B
[See rule 3(b)]
PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD 01-04-2017 TO 31-03-2018

(Unit-Indian Rupee)

Expenditure	Schedule	Current year	Previous year	Income	Schedule	Current year	Previous year
1. Establishment Expenses	20	14,24,40,735	14,74,12,591	1. Income from Sales/ Services	12	-	-
2. Other Administrative expenses etc.	21	2,40,97,71,405	2,90,98,23,376	2. Grants/ Subsidies	13	2,25,75,78,000	54,18,18,648
3. Expenditure on Grants, Subsidies etc.	22	-	48,82,62,806	3. Fee/ Subscription	14	36,30,29,595	31,69,92,205
4. Interest	23	1,750	1,591	4. Income from Investments (Income on investment from earmarked/ endowment funds transferred to Funds)	15	-	-
5. Depreciation(Net Total at the year end- corresponding to Schedule 8)		16,94,998	16,60,958	5. Income from Royalty, Publications etc.	16	-	-
				6. Interest Earned	17	3,91,20,774	7,29,37,833
				7. Other Income	18	2,45,759	1,00,939
				8. Increase/ (decrease) in stock of Finished goods and Work-in-progress	19	-	-
TOTAL		2,55,39,08,888	3,54,71,61,323	TOTAL		2,65,99,74,127	93,18,49,625
Balance being excess of Income over Expenditure		10,60,65,240	(2,61,53,11,697)				
Transfer to Special Reserve (specify each)		-	-				
Transfer to/from General Reserve		-	-				
BALANCE BEING SURPLUS/(DEFICIT) CARRIED TO CORPUS/ CAPITAL FUND		10,60,65,240	(2,61,53,11,697)				
Significant Accounting Policy	24						
Contigent Liabilities and Notes on Accounts	25						

Notes :- All Schedules to Income and Expenditure Account shall form part of account.

Place: New Delhi
Date: 04.10.2018Ashish Kumar Bharati
Chief Accounts OfficerS. Bandyopadhyay
MemberDr. B.S. Bhandari
MemberHemant G. Contractor
Chairperson

FORM C
[See rule 3(c)]
PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
RECEIPT AND PAYMENT ACCOUNT FOR THE PERIOD 01-04-2017 to 31-03-2018

(Unit Indian Rupee)

S.No	Receipts	Current year	Previous year	S.No	Payments	Current year	Previous year
1.	Opening Balances			1.	Expenses		
(a)	Cash in hand	20,000	20,000	(a)	Establishment Expenses	15,44,36,867	14,45,29,065
(b)	Bank Balances			(b)	Administrative Expenses	27,29,70,411	30,22,09,836
(i)	In Current accounts	-	-	2.	Grants Utilised		
(ii)	In Time Deposit accounts	-	-	(a)	Swavalamban Contribution	34,84,88,000	1,01,34,74,906
(iii)	In Saving Bank deposit accounts	76,15,72,278	3,30,91,25,616	(b)	Swavalamban Promotion	2,46,15,900	10,09,49,940
2.	Grants Received			(c)	Grant to National Pension system Trust	-	-
(i)	From Government of India			(d)	APY Contribution	1,18,21,19,845	1,05,19,61,410
(a)	Grant-in-aid Salaries	10,50,00,000	9,00,00,000	(e)	APY Promotion and Development	44,86,67,343	35,76,64,832
(b)	Grant-in-aid-General	4,50,00,000	9,00,00,000	(f)	Refund of Grant	-	48,82,62,806
(c)	Grant-in-aid-Swavalamban Contribution	42,94,81,675	-	(g)	Others	-	-
(d)	Grant-in-aid-Swavalamban Promotional & Development activities	8,96,325	-	3.	Investments and deposits made		
(e)	Grant-in-aid APY Contribution	87,72,00,000	-	(a)	Out of Earmarked/ Endowment Funds	3,00,000	22,34,293
(f)	Grant-in-aid APY Promotion & Development	80,00,00,000	36,00,00,000	(b)	Out of Own Funds (Investments- Others)	27,00,00,000	-
(g)	Others	-	-	4.	Expenditure on Fixed Assets and Capital Work-in-progress		
(ii)	From State Government			(a)	Purchase of Fixed Assets	7,89,671	37,05,586
(a)	Grant-in-aid Salaries	-	-	(b)	Expenditure on Capital Work-in-progress	-	-
(b)	Grant-in-aid-General	-	-	5.	Refund of surplus money/ Loans		
(c)	Grant-in-aid-Swavalamban Contribution	-	-	(a)	Recoverable from National pension system trust	-	-
(d)	Grant-in-aid-Swavalamban Promotional & Development activities	-	-	(b)	To the State Government	-	-
(e)	Others	-	-	(c)	To other providers of funds	-	-
(iii)	From Financial Institutions		18,18,648	6.	Finance Charges (Interest)		
3.	Income on Investments			(a)	Bank charges	592	1,591
(a)	Earmarked/Endowment Funds	20,868	10,41,100	(b)	Others	-	-
(b)	Own Funds (other investment)	-	-	7.	Other Payments (Specify)		
4.	Interest Received			(a)	Prepaid	18,11,050	18,58,537
(a)	On Bank deposits	2,61,60,198	7,29,36,445	(b)	Loan/ Advance to employees	2,44,000	3,30,000
(b)	Loans, Advances etc.	-	-	(c)	Advance against Expenses	5,33,48,792	1,20,49,696
(c)	Others (Interest on Loan)	-	-	(d)	Security Deposits	4,78,000	33,89,500
5.	Other Income (Specify)			8.	Closing Balances		
(a)	Annual Fees	36,13,45,095	30,00,40,705	(a)	Cash in hand	20,000	20,000
(b)	Fees from Miscellaneous Services	16,84,500	1,69,51,500	(b)	Bank Balances		
(c)	Miscellaneous Income	5,761	3,329	(i)	In Current accounts	-	-
6.	Amount Borrowed			(ii)	In Time Deposit accounts	-	-
7.	Any Other receipts			(iii)	In Saving Bank deposit accounts	68,03,96,600	76,15,72,278
(a)	Security/EMD receipts	-	-				
(b)	Recovery of Advance	2,99,62,218	7,64,414				
(C)	Transfer of Assets	50,283	2,66,479				
(d)	Subscribers Education and Protection Fund	2,87,870	12,46,040				
	TOTAL	3,43,86,87,071	4,24,42,14,276		TOTAL	3,43,86,87,071	4,24,42,14,276

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 1
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
CORPUS/ CAPITAL FUND

(Unit-Indian Rupee)

Particulars	Current year	Previous year
Balance as at the beginning of the year	17,56,81,330	20,40,19,970
Add : Opening Balance of unutilized corpus fund	58,89,99,270	3,17,59,72,328
Less: Closing Balance of unutilized corpus fund	(66,17,79,686)	(58,89,99,270)
Add/Deduct: Balance of net income/expenditure transferred from the Income and Expenditure	10,60,65,240	(2,61,53,11,697)
Add : Government Grant to be received from government/transferred from the Income and Expenditure Account	-	-
BALANCE AS AT THE PERIOD END	20,89,66,154	17,56,81,330

Place: New Delhi

Date: 04.10.2018

Ashish Kumar Bharati

Chief Accounts Officer

S. Bandyopadhyay
MemberDr. B.S. Bhandari
MemberHemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 2
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
RESERVES AND SURPLUS

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Capital Reserve		
a) At the beginning of the year	-	-
b) Addition during the year	-	-
c) Less: Deductions during the year	-	-
2. Revaluation Reserve		
a) At the beginning of the year	-	-
b) Addition during the year	-	-
c) Less: Deductions during the year	-	-
3. Special Reserve		
a) At the beginning of the year	-	-
b) Addition during the year	-	-
c) Less: Deductions during the year	-	-
4. General Reserve		
a) At the beginning of the year	-	-
b) Addition during the year	-	-
c) Less: Deductions during the year	-	-
Total	-	-

Place: New Delhi

Date: 04.10.2018

Ashish Kumar Bharati

Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 3
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
EARMARKED/ ENDOWMENT FUNDS

(Unit-Indian Rupee)

Particulars	Fund wise break up		Subscriber's Education and Protection Fund	
	Fund XX	Fund YY	Current Year	Previous Year
1. Opening balance of the funds			1,64,05,649	1,41,18,509
2. Additions to the funds				
a) Donations / grants			-	-
b) Income on Investments made on account of funds			13,66,021	10,41,100
c) Transfer from NPS Trust Penalty A/c and NPS Trust Investor Awareness Fund A/c			-	-
d) Receipts during the year			2,87,870	12,46,040
e) Other Additions (Specify nature)				-
TOTAL (1+2)	-	-	1,80,59,540	1,64,05,649
3. Utilisation/Expenditure towards objectives of funds				
a) Capital Expenditure				
i) Fixed assets			-	-
ii) Others			-	-
Total	-	-	-	-
b) Revenue Expenditure				
i) Salaries, wages and allowances, etc.			-	-
ii) Rent			-	-
iii) Other Administrative expenses			-	-
c) Others			-	-
Total	-	-	-	-
TOTAL (3)	-	-	-	-
NET BALANCE AT THE PERIOD END (1+2-3)	-	-	1,80,59,540	1,64,05,649
Notes				
1) Disclosures shall be made under relevant heads based on conditions attaching to the grants.				
2) Plan Funds received from the Central/ State Governments are to be shown as separate Funds and not to be mixed up with any other Funds.				

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 4
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
SECURED LOANS AND BORROWINGS

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Central Government	-	-
2. State Government	-	-
3. Financial Institutions		
a) Term Loans	-	-
b) Interest accrued and due	-	-
4. Banks		
a) Term Loans	-	-
-Interest accrued and due		
b) Other Loans (specify)	-	-
-Interest accrued and due		
5. Other Institutions	-	-
6. Debentures and Bonds	-	-
7. Others	-	-
TOTAL	-	-

Note:- Amount due within one year

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 5
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
UNSECURED LOANS AND BORROWINGS

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Central Government	-	-
2. State Government	-	-
3. Financial Institutions	-	-
4. Banks		
a) Term Loans	-	-
b) Other Loans (specify)	-	-
5. Other Institutions	-	-
6. Debentures and Bonds	-	-
7. Fixed Deposits	-	-
8. Others (specify)	-	-
TOTAL	-	-

Note:- Amount due within one year

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 6
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
DEFERRED CREDIT LIABILITIES

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Acceptances secured by hypothecation of Capital Equipment and Other Assets	-	-
2. Others	-	-
TOTAL	-	-

Note:- Amount due within one year

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 7
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
CURRENT LIABILITIES AND PROVISIONS

(Unit-Indian Rupee)

Particulars	Current year	Previous year
<u>Current Liabilities</u>		
1. Acceptances	-	-
2. Sundry Creditors & Payables	12,15,94,688	1,70,96,564
3. Advances Received	-	-
4. Interest Accrued but not due on:		
a) Secured Loans / Borrowings	-	-
b) Unsecured Loans/ Borrowings	-	-
5. Statutory Liabilities:		
a) Overdue	-	-
b) Others	-	2,82,504
6. Other Current Liabilities		
a) Unutilised grant payable to GOI	66,17,79,686	58,89,99,270
b) Others: IRDA A/C	31,988	31,988
c) Others: Security Deposits	66,71,540	71,40,000
TOTAL	79,00,77,902	61,35,50,326
<u>Provisions</u>		
1. For Taxation	27,30,079	-
2. Gratuity	1,83,81,621	1,36,03,720
3. Trade Warranties/ Claims	-	-
4. Accumulated Leave encashment	-	-
5. Pension Contribution Payable	3,23,808	3,23,808
6. Leave salary payable	2,46,392	2,29,579
7. Leave Encashment Payable	1,06,48,445	
8. NPS Employees Contribution	1,552	
TOTAL	3,23,31,897	1,41,57,107
GRAND TOTAL	82,24,09,799	62,77,07,434

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY SCHEDULE 8 ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018 FIXED ASSETS										
Description	Cost/Valuation as at the beginning of the year	Gross Block			Cost/Valuation as at the year end	As at beginning of the year	Depreciation		Net Block	
		Additions during the year	Deductions during the year	Deductions during the year			For the year	On Deductions during the year	Total upto the year	As at the Current year
Fixed Assets										
1. Land:										
a) Freehold	-	-	-	-	-	-	-	-	-	-
b) Leasehold	-	-	-	-	-	-	-	-	-	-
2. Buildings:										
a) On Freehold Land	-	-	-	-	-	-	-	-	-	-
b) On Leasehold Land	-	-	-	-	-	-	-	-	-	-
c) Ownership flats/premises	-	-	-	-	-	-	-	-	-	-
d) Superstructures on Land not belonging to the entity	-	-	-	-	-	-	-	-	-	-
3. Plant Machinery and Equipment										
4. Vehicle	10,37,399	-	-	-	10,37,399	7,77,038	39,055	-	8,16,093	2,21,306
5. Furniture & Fixtures	33,07,653	7,37,411	-	-	40,45,064	14,09,262	2,49,760	-	16,59,022	23,86,042
6. Office Equipments	43,16,002	12,19,409	-	-	54,35,411	20,72,471	4,19,400	42,765	24,49,106	29,86,305
7. Computer/ Peripherals	95,29,300	24,68,272	1,00,000	16,63,049	1,03,34,523	83,87,538	9,77,761	16,52,202	77,13,097	26,21,427
8. Electrical Installations	1,51,908	-	-	-	1,51,908	1,21,186	4,608	-	1,25,794	26,114
9. Liabrary Books	1,72,239	16,252	-	-	1,88,491	1,72,239	4,414	-	1,76,653	11,838
10. Other Fixed Assets	-	-	-	-	-	-	-	-	-	-
Total Of Current Year	1,85,14,502	44,41,344	17,63,049	19,55,548	2,11,92,797	1,29,39,734	16,94,998	16,94,967	1,29,39,764	82,53,032
Previous Year	1,67,64,464	37,05,586	19,55,548		1,85,14,502	1,29,83,387	16,60,958	17,04,611	1,29,39,734	55,74,768
Capital work-in-progress										
Total									82,53,032	55,74,768

Note to be given as to cost of assets on hire purchase basis included above.

Place: New Delhi
Date: 04.10.2018

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Ashish Kumar Bharati
Chief Accounts Officer

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 9
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
INVESTMENTS FROM EARMARKED/ ENDOWMENT FUNDS

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Government securities	-	-
2. Other approved securities	-	-
3. Shares	-	-
4. Debentures and Bonds	-	-
5. Subsidiaries and Joint ventures	-	-
6. Fixed Deposits	1,70,21,896	1,62,34,293
7. Others (to be specified)	-	-
TOTAL	1,70,21,896	1,62,34,293

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 10
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
INVESTMENT- OTHERS

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Government securities	-	-
2. Other approved securities	-	-
3. Shares	-	-
4. Debentures and Bonds	-	-
5. Subsidiaries and Joint ventures	-	-
6. Fixed Deposits	27,00,00,000	-
7. Others (to be specified)	-	-
TOTAL	27,00,00,000	-

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 11
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
CURRENT ASSETS, LOANS AND ADVANCES

(Unit-Indian Rupee)

Particulars	Current year	Previous year
(A) Current Assets		
1. Inventories :		
a) Stores and Spares	-	-
b) Loose Tools	-	-
c) Stock-in-trade		
Finished goods	-	-
Work-in-progress	-	-
Raw Materials	-	-
2. Sundry Debtors :		
a) Debt outstanding for a period exceeding six months	-	-
b) Others: Recoverable from IFCO TOKYO	30,585	30,585
3. Cash in hand	20,000	20,000
4. Bank Balances :		
a) with Scheduled Banks:		
i) On Current Accounts	-	-
ii) On Time Deposit Accounts	-	-
iii) On Savings Bank Deposit A/c	68,03,96,600	76,15,72,278
b) with Non- Scheduled Banks:		
i) On Current Accounts	-	-
ii) On Time Deposit Accounts	-	-
iii) On Savings Bank Deposit A/c	-	-
5. Post Office- Savings Accounts	-	-
6. Others	-	-
TOTAL (A)	68,04,47,185	76,16,22,863

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 11
ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31st March, 2018
CURRENT ASSETS, LOANS AND ADVANCES

(Unit-Indian Rupee)

Particulars	Current year	Previous year
(B) Loans, Advances And Other Assets :		
1. Loans:		
a) Staff	1,48,881	3,46,376
b) Other Entities engaged in activities/objectives similar to that of the Entity	-	-
c) Others (specify)	-	-
2. Advances and Other Amounts Recoverable in cash or in kind or for value to be received:		
a) On Capital Account	-	-
b) Prepayments	18,11,050	17,92,084
c) Security Deposits	36,47,500	36,47,500
d) Others:	5,42,87,823	3,05,76,529
3. Income Accrued:		
a) On Investments from Earmarked/ Endowment funds	8,57,550	-
b) On Investments- Others	-	-
c) On Loans and Advances	-	-
d) Others (includes income due unrealized)	1,29,60,576	-
4. Claims Receivable	-	-
Total (B)	7,37,13,379	3,63,62,489
Grand Total (A)+(B)	75,41,60,564	79,79,85,352

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 12
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
INCOME FROM SALES/SERVICES

(Unit-Indian Rupee)

Particulars	Current year	Previous year
<u>1. Income from Sales</u>		
a) Sale of Finished goods	-	-
b) Sale of Raw Materials	-	-
c) Sale of Scraps	-	-
<u>2. Income from Services</u>		
a) Labour and Processing Charges	-	-
b) Professional/ Consultancy Services	-	-
c) Agency Commission and Brokerage	-	-
d) Maintenance Services(Equipment/Property)	-	-
e) Others(specify)	-	-
TOTAL	-	-

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 13
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
GRANT/ SUBSIDIES

(Unit-Indian Rupee)

Particulars	Current year	Previous year
Irrevocable Grants and Subsidies Received		
1. Central Government	2,25,75,78,000	54,00,00,000
2. State Government	-	-
3. Government agencies	-	-
4. Institution / Welfares bodies	-	18,18,648
5. International Organisations	-	-
6. Others : Govt. Contribution APY Scheme	-	-
Total	2,25,75,78,000	54,18,18,648

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 14
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
FEES / SUBSCRIPTIONS

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Entrance Fees	-	-
2. Annual Fees/ Subscription	36,13,45,095	30,00,40,705
3. Seminar/ Program Fee	-	-
4. Consultancy Fees	-	-
5. Licence Fees	-	-
6. Fees from Miscellaneous Services	16,84,500	1,69,51,500
7. Others (Specify)	-	-
Total	36,30,29,595	31,69,92,205

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 15
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
INCOME FROM INVESTMENTS

(Unit-Indian Rupee)

Particulars	Investment From Earmarked Fund		Investment- Others	
	Current year	Previous year	Current year	Previous year
1. Interest				
a) On Govt. Securities	-	-	-	-
b) Other Bonds/Debentures	-	-	-	-
c) Others	13,66,021	10,41,100	-	-
2. Dividend				
a) On Shares	-	-	-	-
b) On Mutual Funds	-	-	-	-
c) Others	-	-	-	-
3. Rents	-	-	-	-
4. Others (specify)	-	-	-	-
Total	13,66,021	10,41,100	-	-
Transferred to Earmarked/ Endowment Funds	13,66,021	10,41,100	-	-

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

**PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 16**

**ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
INCOME FROM ROYALTY, PUBLICATION ETC.**

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Income from Royalty	-	-
2. Income from Publications	-	-
3. Others (specify)	-	-
Total	-	-

**PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 17**

**ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
INTEREST EARNED**

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. On Term Deposits Accounts		
a) with Scheduled Banks	1,29,60,576	-
b) with Non-Scheduled Bank	-	-
c) with Institutions	-	-
d) Others	-	-
2. On Savings Bank Deposits Accounts		
a) with Scheduled Banks	2,61,60,198	7,29,36,445
b) with Non-Scheduled Bank	-	-
c) Post Office Savings Accounts	-	-
d) Others:	-	-
3. On Loans:		
a) Employee/ Staff	-	1,388
b) Others	-	-
4. Interest on Debtors and Other Receivables		
Total	3,91,20,774	7,29,37,833
Tax deducted at source to be indicated	-	-

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 18
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
OTHER INCOME

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Profit on Sale/ Disposal of Assets		
a) Owned Assets	-	-
b) Assets acquired out of grants or received free of cost	-	-
2. Export Incentives Realized	-	-
3. Fees for Miscellaneous Services	-	-
4. Miscellaneous Income	2,45,759	1,00,939
Total	2,45,759	1,00,939

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 19
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS AND WORK IN PROGRESS

(Unit-Indian Rupee)

Particulars	Current year	Previous year
A) Closing Stock		
1. Finished Goods	-	-
2. Work-in-progress	-	-
B) Less: Opening Stock		
1. Finished Goods	-	-
2. Work-in-progress	-	-
Net Increase/(Decrease) (A-B)	-	-

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 20
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
ESTABLISHMENT EXPENSES

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Salaries and Wages	11,70,68,575	13,37,15,315
2. Allowances and Bonus	-	-
3. Contribution to Provident Fund	-	-
4. Contribution to Pension	70,92,499	88,74,430
5. Staff Welfare Expenses	-	-
6. Expense on Employee Retirement and Terminal Benefits	-	-
7. Leave Salary	1,17,01,632	3,64,143
8. Tution Fees reiumbursement	-	-
9. Medical reiumbursement	18,00,128	15,11,566
10. Gratuity Contribution	47,77,901	29,47,137
11. Others(specify)	-	-
Total	14,24,40,735	14,74,12,591

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 21
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
OTHER ADMINISTRATION EXPENSES

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Purchases	-	-
2. Labour and Processing Expenses	-	-
3. Cartage and Carriage Inwards	-	-
4. Electricity and Power	13,20,231	13,99,178
5. Water Charges	4,06,722	3,80,358
6. Insurance	19,71,532	9,71,420
7. Repair and Maintenance	73,45,976	70,06,650
8. Excise Duty	-	-
9. Rent, Rates and Taxes	6,96,52,194	6,53,66,989
10. Vehicles Running and Maintenance	95,90,998	84,21,062
11. Postage, Telephone and Communication Charges	72,62,031	60,22,060
12. Printing and Stationary	6,97,632	14,47,344
13. Travelling and Conveyance Expenses	78,95,696	69,26,264
14. Expenses on Seminar/ Workshops/ Meetings and conferences	2,84,55,685	2,11,04,722
15. Subscription Expenses	-	-
16. Expenses on Fees	-	-
17. Auditors Remuneration	2,67,872	-
18. Hospitality Expenses	-	-
19. Professional Charges	1,68,82,427	1,00,48,351
20. Books and Periodicals	2,49,489	1,14,944
21. Recruitment Expenses	18,82,531	32,111
22. Provision for Bad and Doubtful Debts/ Advances	-	-
23. Incentive to Aggregator	2,46,15,900	10,09,49,940
24. Swavalamban Government Contribution	34,84,88,000	1,01,34,74,906
25. APY Government Contribution	1,18,21,19,845	1,05,19,61,410
26. Incentive to Point of presence	-	-
27. Irrevocable balances Written off	-	-
28. Packing charges	-	-
29. Freight and Forwarding Expenses	-	-
30. Distribution Expenses	-	-
31. Advertisement and Publicity Expenses	24,94,84,351	25,50,37,361
32. Membership fees	17,250	4,03,415
33. Staff Welfare expenses	8,14,511	7,89,710
34. Consultancy expenses	16,80,780	3,00,350
35. APY Promotion	1,94,11,083	1,96,09,592
36. Incentive under APY	42,92,56,260	33,80,55,240
37. Sitting Fees	-	-
38. Others (Website fee expense)	2,408	-
Total	2,40,97,71,405	2,90,98,23,376

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

**PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 22**

**ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
EXPENDITURE ON GRANT SUBSIDIES ETC.**

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. Grants given to Institutions/ Organisations/National Pension System Trust	-	-
2. Subsidies given to Institutions/ Organisations	-	-
3. Others : (Refund of Grants)	-	48,82,62,806
Total	-	48,82,62,806

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

**PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 23**

**ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018
INTEREST**

(Unit-Indian Rupee)

Particulars	Current year	Previous year
1. On Fixed Loans	-	-
2. On Other Loans	-	-
3. Bank charges	1,750	1,591
4. Other(specify)	-	-
Total	1,750	1,591

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY
SCHEDULE 24
ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting and preparation of financial statements

The financial statements of the Authority have been prepared in accordance with the Pension Fund Regulatory and Development Authority (Form of Annual Statement of Accounts and Records) Rules, 2015. The financial statements have been prepared on accrual basis under the historical cost convention except for Swavlamban scheme and Atal Pension Yojna (APY) maintained on payment basis, being the scheme of Government of India .

2. Government Grants

Government grants are accounted on realisation basis.

3. Fixed Assets

Fixed assets are stated at their original cost including taxes and other incidental expenses related to acquisition.

4. Retirement benefits

Provision for gratuity is provided as per Authority scheme. The liability for gratuity at the year end is computed on the assumption that employees are entitled to receive the benefit as at each year end.

5. Depreciation

5.1 Depreciation is provided on the written down value method as per rates specified in The Income tax Act 1961.

5.2 Assets costing Rs. 5,000/- or less each are fully provided.

Place: New Delhi
Date: 04.10.2018

Ashish Kumar Bharati
Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

SCHEDULE 25

**ATTACHED TO AND FORMING PART OF INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 01-04-2017 TO 31-03-2018**

CONTINGENT LIABILITIES AND NOTES TO ACCOUNTS

1. **Contingent Liabilities**

There is no contingent liability of the Authority as at 31.03.2018.

2. **Current Assets, Loans & Advances**

The Current assets, Loans and advances have a value on realisation equal at least to the aggregate amount shown in the Balance Sheet.

3. **Taxation**

In view of the section 34 of The Pension Fund Regulatory and Development Authority Act 2013, the Authority shall not be liable to pay wealth-tax, income-tax or any other tax in respect of its wealth, income, profits or gains derived. Accordingly, no provision for the same has been provided in the books of accounts.

4. The unutilised Government grants as on 31.03.2018 has been shown under the head Current Liabilities and Provisions.

5. Corresponding figures for the previous year has been regrouped/rearranged, wherever necessary.

6. The schedule 1 to 25 are annexed to and form an integral part of the Balance sheet as at 31-03-2018 and the Income and Expenditure account for the period 01-04-2017 to 31-03-2018.

Place: New Delhi

Date: 04.10.2018

Ashish Kumar Bharati

Chief Accounts Officer

S. Bandyopadhyay
Member

Dr. B.S. Bhandari
Member

Hemant G. Contractor
Chairperson



पेंशन निधि विनियामक और विकास प्राधिकरण

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

बी-14 / ए, छत्तरपति शिवाजी भवन, कुतुब संस्थानिक क्षेत्र, कटवारिया सराय, नई दिल्ली-110016

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