



REPCO BANK



UTI Mutual Fund

Press Release

UTI Mutual Fund - REPCO Bank “MICRO-PENSION” Initiative for Self Help Groups

UTI Mutual Fund (UTI MF) has today entered into a customised arrangement with The Repatriates Co-op. Finance & Development Bank Ltd. (REPCO Bank) for providing the members of Self Help Groups associated with REPCO Foundation for Micro Credit, an investment opportunity through a Micro-Pension initiative under UTI-Retirement Benefit Pension Fund.

The Micro-Pension initiative facilitated by UTI Mutual Fund and REPCO Bank aims to provide the much needed social security cover for the low income group during their old age. Under the initiative, members of the Self Help Groups associated with REPCO Foundation for micro credit, will contribute minimum amount of Rs.100 every month towards UTI-Retirement Benefit Pension Fund up to the age of 55 years so as to enable them to receive pension in the form of periodical income/cashflow after they reach the age of 58 years.

REPCO Bank was established in 1969 by the Government of India and is under the administrative control of the Ministry of Home Affairs, Government of India. REPCO Bank has promoted REPCO Foundation for Micro Credit, an NGO for extending supporting services to Self Help Groups financed by REPCO Bank solely with a view to increase the income level and standard of life of the group. The Bank has a large concentration of Self Help Groups in Southern States. Presently there are 3500 Self Help Groups consisting more than 70000 members of which majority are women beneficiaries. **Initially around 10000 members will be joining the scheme.**

Shri U K Sinha, Chairman and Managing Director, UTI AMC said, “The Micro-Pension initiative will help inculcating the habit of regular savings among the low income group, which will help them in planning for their future and will also enable them to share the benefits of growth of the Indian economy.”

“We hope that this pension movement will spread across workers of all categories and even those working in big establishments or professionals with higher income will also follow the example of pioneers like SEWA or REPCO Bank in understanding how it is important for them to build their own pension amounts during their working life.” Shri Sinha added



REPCO BANK



UTI Mutual Fund

Shri M Balasubramanian, Managing Director, REPCO Bank said, "REPCO Bank has in place an integrated Micro Credit programme for self help groups. Apart from extending micro credit, Bank provides training for capacity building, organises marketing of self help group products including global market, provides micro savings schemes, micro insurance and customised loans to self help groups. Now working together with UTI Mutual Fund, the synergy in operation would be unlocked to benefit the less privileged."

"This micro pension initiative in alliance with UTI Mutual Fund – a pioneer in this sector, aims to provide an old age social security cover – a periodical stream of income generated out of small savings invested by creating group saving synergies and by bringing in best benefits of investments in capital markets by bringing in expertise of seasoned fund managers of UTI Mutual Fund." Shri Balasubramanian added.

UTI Mutual Fund is a pioneer in launching Micro Pension initiative for the workers in the unorganised sector. The first micro pension initiative was launched by UTI Mutual Fund in April 2006 at Ahmedabad for self employed women of Shri Mahila Sewa Sahakari Bank (SEWA). Thereafter, UTI Mutual Fund has entered into customised arrangement with a number of organisations for providing its members an investment opportunity through a Micro-Pension initiative viz. Paradeep Port and Dock Labour Union, Bank of India, Bihar State Co-operative Milk Producers Federation Ltd. (COMPFED), Union Bank of India, Self Help Promotion for Health and Rural Development (SHEPHERD) and Mann Desi Satara Bank. More than 1 lakh members are covered under this initiative.

Why Micro Pension

Lack of Social Security for Unorganised Sector in India

- One in every 6 people over the age of 60 in the world lives in India. A majority of our 8 crore elderly today however do not receive a pension -- either from the government or from their employers. Traditionally, most of us have depended on the joint family system and support from our children when we stop working. But today, our children are often forced to migrate when they start earning and as a result, nearly 2 in every 3 households is a nuclear household in India. Therefore, we can no longer depend on family support in our old age.
- The aged of today have no choice but to depend on their own lifetime savings to survive for nearly 20 years if they stop working at age 60. And if they have not saved enough during their working lives by then, they face the grave risk of outliving their savings and of facing poverty at a period of their lives when they may be physically unable to work. This is even more true for those engaged in manual work including farmers, head-loaders, rickshaw-pullers, weavers, construction workers and farm labour.



REPCO BANK



UTI Mutual Fund

- For the government, this is a very serious social and fiscal concern. Within the next few years, the problems of dealing with poverty are likely to be overshadowed by the problem of dealing with poverty among the elderly. Especially since our current population of 8 crore elderly is going to witness rapid growth and we are likely to have nearly 20 crore elderly in India within the next 2 decades.
- The plight of our current aged is partly driven by our labour market structures. Of the 36 crore paid workers in India today, only the 11% organised sector workers, including government servants and salaried employees in large private firms, enjoy pension rights and benefits.
- However, most of India's workforce is employed in the unorganised sector and has been traditionally excluded from formal pension and provident fund arrangements. These include self-employed workers like farmers, farm labourers, self-employed women, contract and casual labour and small retailers. If these workers do not have access to any formal pension scheme, many of them will have no option but to continue to work throughout their lives.

About UTI- Retirement Benefit Pension Fund

UTI-Retirement Benefit Pension Fund is an open-end tax saving-cum-pension fund. The scheme has been **notified** by Central Government in the Gazette Notification dated November 3, 2005 **as a Pension Fund eligible under sub-section (2), clause (xiv) of section 80C of Income- tax Act, 1961** for assessment year 2006-07 and subsequent assessment years.

The investment objective of the scheme is to primarily provide pension in the form of periodical income/cashflow to the members to the extent of redemption value of their holding after they attain the age of 58 years. The scheme invests minimum 60% and maximum 100% in debt and balance in equity.

About UTI Mutual Fund

UTI Mutual Fund is a SEBI registered mutual fund whose Sponsors are State Bank of India, Punjab National Bank, Bank of Baroda and Life Insurance Corporation of India.

UTI Mutual Fund has assets under management of Rs.56854 crore and investor accounts of over 8 million under its 74 domestic schemes (as of December 31, 2007).



REPCO BANK



UTI Mutual Fund

About REPCO Bank

REPCO Bank is a very unique Institution founded by the Government of India and the State Governments of 4 Southern states. With a network of 45 branches and close to 3 lakh customers, REPCO Bank is committed to the development of the repatriates and others. It was established in the year 1969 and now it is operating with 45 branches in the Southern States. REPCO Bank has promoted an NGO named REPCO Foundation for Micro Credit a company under Section 25 of The Companies Act 1956 in order to promote SHGs and to provide capacity building activities to upscale their livelihood. At present it is operating in 22 districts of Tamil Nadu with a perspective plan of reaching 3 lakh families by 2010.

Mumbai
January 8, 2008

Registered Office: UTI Tower, 'Gn' Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051. **Statutory Details:** UTI Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. **Sponsors:** The State Bank of India, Punjab National Bank, Bank of Baroda and Life Insurance Corporation of India. (Liability of sponsors limited to Rs. 10,000/-) **Trustee:** UTI Trustee Co. (P) Ltd. (Incorporated under the Companies Act, 1956) **Investment Manager:** UTI Asset Management Co. Ltd. (Incorporated under the Companies Act, 1956). **Risk Factors:** All investments in Mutual Funds and securities are subject to market risks and the NAV of funds may go up or down depending on the factors and forces affecting the securities markets. There is no assurance that the scheme's objectives will be achieved. Investors are not being offered a guaranteed or assured rate of return. Past performance of the Sponsor / Mutual Fund / Scheme(s) / AMC is not necessarily an indicative of future results. UTI- Retirement Benefit Pension Fund is only the name of the plan/scheme and does not in any manner indicate the quality of the fund/scheme, its future prospects or returns. There may be instances where no Income Distribution could be made. Realisation of all assurances and promises made, if any are subject to the laws of the land as they exist at any relevant point of time. The scheme is subject to risks relating to Credit, Interest rates, Liquidity, Securities Lending, Investment in Overseas markets, Trading in Equity and Debt derivatives (the specific risk could be Credit, Market, Illiquidity, Judgemental Error, Interest Rate Swaps and Forward Rate Agreements). For information on general services offered, Entry/Exit load etc please read the Offer Document carefully before investing
