

**NATIONAL PENSION SYSTEM TRUST**  
**UTI RETIREMENT SOLUTIONS LIMITED**  
**COMBINED BALANCE SHEET OF ALL SCHEMES AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b><u>Liabilities</u></b>				
Unit Capital	1	26565 97 54 676	23585 91 96 942	21000 63 89 194
Reserves and Surplus	2	34879 57 16 049	28457 19 79 643	24151 13 22 399
Current Liabilities and Provisions	3	10 31 02 099	18 99 05 603	37 75 19 918
<b>Total</b>		<b>61455 85 72 824</b>	<b>52062 10 82 188</b>	<b>45189 52 31 511</b>
<b><u>Assets</u></b>				
Investments	4	60064 36 33 051	50861 77 53 019	44159 44 37 093
Deposits	5	-	60 00 00 000	65 00 00 000
Other Current Assets	6	1391 49 39 773	1140 33 29 169	965 07 94 418
<b>Total</b>		<b>61455 85 72 824</b>	<b>52062 10 82 188</b>	<b>45189 52 31 511</b>
(a) Net assets as per Balance Sheets		61445 54 70 725	52043 11 76 585	45151 77 11 593
(b) Number of units outstanding		2656 59 75 468	2358 59 19 694	2100 06 38 919
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**UTI RETIREMENT SOLUTIONS LIMITED**  
**COMBINED REVENUE ACCOUNT OF ALL SCHEMES FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		68 63 34 949	23 01 63 972	42 58 97 689
Interest		1849 23 88 341	1599 23 05 994	1386 31 07 772
Profit on sale/redemption of investments		93 83 44 172	49 35 77 870	53 18 01 142
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealised gain on appreciation in investments		1297 13 75 759	628 57 12 790	2622 05 24 813
Other income		-	-	-
- Miscellaneous Income		3 459	975	342
<b>Total Income (A)</b>		<b>3308 84 46 680</b>	<b>2300 17 61 601</b>	<b>4104 13 31 758</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		457 11 30 444	891 99 06 777	118 04 98 673
Loss on sale/redemption of investments		9 09 23 458	47 68 840	5 48 980
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		3 41 03 179	2 83 81 968	2 36 62 788
NPS Trust fees		2 86 84 318	2 41 98 836	2 01 75 032
Custodian fees		94 71 967	47 83 518	1 17 98 982
Depository and settlement charges		20 25 742	14 20 587	12 69 705
CRA Fees		5 07 88 342	6 03 43 623	5 04 84 980
Less: Amount recoverable on sale of units on account of CRA Charges		(5 07 88 342)	(6 03 43 623)	(5 04 84 980)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>473 63 39 108</b>	<b>898 34 60 526</b>	<b>123 79 54 160</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>2835 21 07 572</b>	<b>1401 83 01 075</b>	<b>3980 33 77 598</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(840 02 45 315)	263 41 93 987	(2504 00 26 140)
Less: Amount transferred (to) / from General Reserve		(1995 18 62 257)	(1665 24 95 062)	(1476 33 51 458)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**UTI RETIREMENT SOLUTIONS LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT SEPTEMBER 30, 2017**

<b>Schedule 1</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Unit Capital</b>			
Outstanding at the beginning of the year	23585 91 96 942	21000 63 89 194	18359 07 91 789
Add :Units issued during the year	3065 75 37 659	2652 87 75 372	2699 50 77 142
Less: Units redeemed during the year	(85 69 79 925)	(67 59 67 624)	(57 94 79 737)
<b>Outstanding at the end of the year</b>	<b>26565 97 54 676</b>	<b>23585 91 96 942</b>	<b>21000 63 89 194</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	2358 59 19 694	2100 06 38 919	1835 90 79 179
Add :Units issued during the year	306 57 53 766	265 28 77 537	269 95 07 714
Less: Units redeemed during the year	(8 56 97 993)	(6 75 96 762)	(5 79 47 974)
<b>Outstanding units at the end of the year</b>	<b>2656 59 75 468</b>	<b>2358 59 19 694</b>	<b>2100 06 38 919</b>
<b>Schedule 2</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	15775 18 29 186	12870 94 73 017	10259 41 83 765
Add: Premium on Units issued	3688 16 43 527	2978 66 40 495	2668 83 81 351
Less: Premium on Units redeemed	(101 00 14 693)	(74 42 84 326)	(57 30 92 099)
Add: Transfer from General Reserve	-	-	-
<b>Closing Balance</b>	<b>19362 34 58 020</b>	<b>15775 18 29 186</b>	<b>12870 94 73 017</b>
<b>General Reserve</b>			
Opening Balance	9252 29 13 330	7587 04 18 268	6110 70 66 810
Add: Transfer from Revenue Account	1995 18 62 257	1665 24 95 062	1476 33 51 458
Less: Transfer to Unit Premium Reserve	-	-	-
<b>Closing Balance</b>	<b>11247 47 75 587</b>	<b>9252 29 13 330</b>	<b>7587 04 18 268</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	3429 72 37 127	3693 14 31 114	1189 14 04 974
Add/(Less): Transfer from/(to) Revenue Account	840 02 45 315	(263 41 93 987)	2504 00 26 140
<b>Closing Balance</b>	<b>4269 74 82 442</b>	<b>3429 72 37 127</b>	<b>3693 14 31 114</b>
<b>Total</b>	<b>34879 57 16 049</b>	<b>28457 19 79 643</b>	<b>24151 13 22 399</b>
<b>Schedule 3</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	6 17 45 164	4 51 02 831	5 36 71 481
Book Overdraft	-	-	-
Redemption Payable	4 06 71 238	14 43 42 597	2 81 67 242
TDS Payable	6 85 697	4 60 175	4 82 898
Contracts for purchase of investments	-	-	29 51 98 297
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>10 31 02 099</b>	<b>18 99 05 603</b>	<b>37 75 19 918</b>

**NATIONAL PENSION SYSTEM TRUST**  
**UTI RETIREMENT SOLUTIONS LIMITED**  
**NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	8820 87 56 885	7057 00 12 047	5597 97 95 738
Debentures and Bonds Listed/Awaiting Listing	21543 85 69 862	18550 80 90 510	14964 45 66 920
Central and State Government Securities (including treasury bills)	29363 20 79 525	24798 48 69 038	23117 43 16 639
Commercial Paper	-	-	-
Others - Mutual Fund Units	336 42 26 779	455 47 81 424	479 57 57 796
<b>Total</b>	<b>60064 36 33 051</b>	<b>50861 77 53 019</b>	<b>44159 44 37 093</b>

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Deposits</b>			
Deposits with Scheduled Banks	-	60 00 00 000	65 00 00 000
<b>Total</b>	<b>-</b>	<b>60 00 00 000</b>	<b>65 00 00 000</b>

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Other Current Assets</b>			
Balances with bank in a current account	60 842	3 13 01 039	4
Contracts for sale of investments	-	-	-
Outstanding and accrued income	1391 48 78 931	1137 20 28 130	965 07 81 302
Brokerage receivable from PFM	-	-	13 112
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
	<b>1391 49 39 773</b>	<b>1140 33 29 169</b>	<b>965 07 94 418</b>

## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust A/c - UTI Retirement Solutions Limited all Schemes**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations is given below :-

Sr. No.	Name of Scheme	Date of Inception
1.	Scheme E - Tier I	21 <sup>st</sup> May, 2009
2.	Scheme E - Tier II	14 <sup>th</sup> December, 2009
3.	Scheme C - Tier I	21 <sup>st</sup> May, 2009
4.	Scheme C - Tier II	14 <sup>th</sup> December, 2009
5.	Scheme G - Tier I	21 <sup>st</sup> May, 2009
6.	Scheme G - Tier II	14 <sup>th</sup> December, 2009
7.	Scheme A - Tier I	14 <sup>th</sup> October, 2016
8.	Scheme A - Tier II	20 <sup>th</sup> October, 2016
9.	Scheme - Central Govt.	31 <sup>st</sup> March, 2008
10.	Scheme - State Govt.	25 <sup>th</sup> June, 2009
11.	NPS Lite Scheme - Govt. Pattern	4 <sup>th</sup> October, 2010
12.	Scheme - Corporate CG	5 <sup>th</sup> November, 2012
13.	Atal Pension Yojana	4 <sup>th</sup> June, 2015

**3. Investment pattern to be followed as per PFRDA Regulations:**

<b>Sr. No.</b>	<b>Name of Scheme</b>	<b>Investment Objective</b>
1.	Scheme E - Tier I	To optimize returns through investments in :- a. Shares of companies which are listed in BSE or NSE which have market capitalization of not less than Rs. 5000 crore as on the date of investment and on which derivatives are available; b. Units of Mutual funds regulated by the SEBI, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE;
2.	Scheme E - Tier II	c. ETFs / Index Funds regulated by the SEBI that replicate the portfolio of either BSE Index or NSE Nifty 50 Index; d. ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporate; and e. Exchange traded derivatives regulated by SEBI
3.	Scheme C - Tier I	To optimize returns through investments in: - a. Listed (or proposed to be listed) debt securities issued by bodies corporate, including banks and public financial institutions, which have a minimum residual maturity period of three years from the date of investment; b. Basel III Tier - 1 Bonds issued by scheduled commercial banks under RBI Guidelines;
4.	Scheme C - Tier II	c. Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank; and d. Term deposit Receipts of not less than one year duration issued by scheduled commercial banks.
5.	Scheme G - Tier I	To optimize returns through investments in: - a. Government Securities; b. Other Securities the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government; and
6.	Scheme G - Tier II	c. Units of mutual funds set up as dedicated funds for investment in Government securities and regulated by the SEBI.

7.	Scheme A - Tier I	To optimize returns through investments in: - a. Commercial mortgage based securities or Residential mortgaged based securities b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India c. Asset backed securities regulated by the Securities and Exchange Board of India d. Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India e. Alternative Investment Funds (AIF Category I & II) registered with Securities and Exchange Board of India.												
8.	Scheme A - Tier II													
9.	Scheme - Central Govt.	To optimize returns by investing in the instruments as per the following prescribed limits: -												
10.	Scheme - State Govt.	<table><tr><th>Instrument</th><th>Limit</th></tr><tr><td>Govt. Securities</td><td>Upto 50%</td></tr><tr><td>Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.</td><td>Upto 45%</td></tr><tr><td>Short Term Debt Instruments and related investments</td><td>Upto 5%</td></tr><tr><td>Equity and related investments</td><td>Upto 15%</td></tr><tr><td>Asset Backed, Trust Structured and Miscellaneous Investments</td><td>Upto 5%</td></tr></table>	Instrument	Limit	Govt. Securities	Upto 50%	Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.	Upto 45%	Short Term Debt Instruments and related investments	Upto 5%	Equity and related investments	Upto 15%	Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%
Instrument	Limit													
Govt. Securities	Upto 50%													
Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.	Upto 45%													
Short Term Debt Instruments and related investments	Upto 5%													
Equity and related investments	Upto 15%													
Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%													
11.	NPS Lite Scheme - Govt. Pattern													
12.	Scheme - Corporate CG													
13.	Atal Pension Yojana													

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### C. Significant Accounting Policies

- 1. Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.



**2. Investments:**

- a. Investments are accounted on trade date.
- b. Cost is determined on the basis of weighted average cost.
- c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

**a. Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

**iii. Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.

- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
  - v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
  - vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
  - vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
  - viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
  - ix. Partly paid bonds are valued at cost till it is fully paid.
  - x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.
- c. Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.
4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
5. **Income Recognition:**
- a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.

- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
6. **Computation of NAV:** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
  7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.
- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 30-09-17
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.
<b>2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).</b>	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 48.47 Crores.
<b>3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.</b>	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.
<b>4. Front-end discount should be reduced from the Cost of investments.</b>	Front-end discount is taken to Income.	Impact was not ascertainable.

- E. Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.
- F. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is ₹ 3,41,03,180/- (Previous Period ₹ 2,83,81,965/-) including Service Tax.
- G. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are ₹ 2,86,84,315/- (Previous Period ₹ 2,41,98,836/-).
- H. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
44,670.89	78.03	36,268.64	63.35	38,984.85	80.28	31,980.19	65.85

- I.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ 9,940.21 Crores (Previous Period ₹ 6,850.80 Crores).

**J. Net Asset Value:**

Sr. No.	Name of Scheme	Current Period		Previous Period
		As on 30th September, 2017* (in ₹)	As on 29th September, 2017** (in ₹)	As on 31st March, 2017 (in ₹)
1.	Scheme E - Tier I	25.5271	25.5270	23.9272
2.	Scheme E - Tier II	20.5871	20.5871	19.4088
3.	Scheme C - Tier I	22.1270	22.1224	21.1324
4.	Scheme C - Tier II	21.1201	21.1156	20.1740
5.	Scheme G - Tier I	20.5301	20.5260	19.5892
6.	Scheme G - Tier II	21.0729	21.0687	20.0667

7.	Scheme A - Tier I	10.6239	10.6216	10.2832
8.	Scheme A - Tier II	10.0000	10.0000	10.2876
9.	Scheme - Central Govt	25.0858	25.0813	23.8338
10.	Scheme - State Govt.	22.3535	22.3495	21.2658
11.	NPS Lite Scheme - Govt. Pattern	20.8213	20.8176	19.7655
12.	Scheme - Corporate CG	10.0000	10.0000	10.0000
13.	Atal Pension Yojana	12.8268	12.8246	12.2169

\* NAV not declared, being a non - business day

\*\* On last business day

**K. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
3,308.84	5.78	473.63	0.83	2,300.18	4.74	898.35	1.85

**L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**M. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 35,089.10	₹ 336.42	₹ 31,550.74	₹ 455.45

**N. Portfolio:** Please refer scheme wise financials for industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017.

**O.** The Previous Year figures are regrouped/ reclassified, wherever necessary.

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b><u>Liabilities</u></b>				
Unit Capital	1	63 49 19 685	54 18 20 572	38 15 62 717
Reserves and Surplus	2	98 58 49 079	75 46 07 009	47 55 28 962
Current Liabilities and Provisions	3	17 22 363	20 45 621	4 39 232
<b>Total</b>		<b>162 24 91 127</b>	<b>129 84 73 202</b>	<b>85 75 30 911</b>
<b><u>Assets</u></b>				
Investments	4	162 17 60 122	129 81 87 546	85 70 76 732
Deposits	5	-	-	-
Other Current Assets	6	7 31 005	2 85 656	4 54 179
<b>Total</b>		<b>162 24 91 127</b>	<b>129 84 73 202</b>	<b>85 75 30 911</b>
(a) Net assets as per Balance Sheets		162 07 68 764	129 64 27 581	85 70 91 679
(b) Number of units outstanding		6 34 91 968	5 41 82 057	3 81 56 272
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		1 27 35 183	36 56 610	66 98 271
Interest		-	-	-
Profit on sale/redemption of investments		1 88 95 667	17 71 757	26 01 020
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		13 97 56 471	9 40 90 633	11 26 87 284
Other income				
- Miscellaneous Income		911	112	125
<b>Total Income (A)</b>		<b>17 13 88 232</b>	<b>9 95 19 112</b>	<b>12 19 86 700</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		7 76 68 772	2 29 41 648	1 74 79 962
Loss on sale/redemption of investments		10 95 193	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		87 850	56 332	43 680
NPS Trust fees		75 345	48 983	37 983
Custodian fees		22 373	1 013	25 097
Depository and settlement charges		3 727	4 395	26
CRA Fees		9 06 062	13 26 541	9 98 464
Less: Amount recoverable on sale of units on account of CRA Charges		( 9 06 062)	( 13 26 541)	( 9 98 464)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>7 89 53 260</b>	<b>2 30 52 371</b>	<b>1 75 86 748</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>9 24 34 972</b>	<b>7 64 66 741</b>	<b>10 43 99 952</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(6 20 87 699)	(7 11 48 985)	(9 52 07 322)
Less: Amount transferred (to) / from General Reserve		(3 03 47 273)	( 53 17 756)	( 91 92 630)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 1</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
Initial Capital*	231	231	231
<b>Unit Capital</b>			
Outstanding at the beginning of the year	54 18 20 572	38 15 62 717	30 82 20 740
Add :Units issued during the year	12 09 25 824	17 44 29 298	8 57 12 856
Less: Units redeemed during the year	(2 78 26 711)	(1 41 71 443)	(1 23 70 879)
<b>Outstanding at the end of the year</b>	<b>63 49 19 685</b>	<b>54 18 20 572</b>	<b>38 15 62 717</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	5 41 82 057	3 81 56 272	3 08 22 074
Add :Units issued during the year	1 20 92 582	1 74 42 929	85 71 286
Less: Units redeemed during the year	( 27 82 671)	( 14 17 144)	( 12 37 088)
<b>Outstanding units at the end of the year</b>	<b>6 34 91 968</b>	<b>5 41 82 057</b>	<b>3 81 56 272</b>

\* Represents capital on the date of commencement of scheme

<b>Schedule 2</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	49 12 89 681	28 86 78 375	20 92 75 286
Add: Premium on Units issued	18 08 98 591	22 04 97 326	9 38 14 687
Less: Premium on Units redeemed	(4 20 91 493)	(1 78 86 020)	(1 44 11 598)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>63 00 96 779</b>	<b>49 12 89 681</b>	<b>28 86 78 375</b>
<b>General Reserve</b>			
Opening Balance	4 48 56 601	3 95 38 845	3 03 46 215
Add: Transfer from Revenue Account	3 03 47 273	53 17 756	91 92 630
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>7 52 03 874</b>	<b>4 48 56 601</b>	<b>3 95 38 845</b>
<b>Unrealised Appreciation Account</b>			
Opening Balance	21 84 60 727	14 73 11 742	5 21 04 420
Add/(Less): Transfer from/(to) Revenue Account	6 20 87 699	7 11 48 985	9 52 07 322
Closing Balance	<b>28 05 48 426</b>	<b>21 84 60 727</b>	<b>14 73 11 742</b>
<b>Total</b>	<b>98 58 49 079</b>	<b>75 46 07 009</b>	<b>47 55 28 962</b>

<b>Schedule 3</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	1 59 475	1 07 512	91 340
Book Overdraft	-	-	-
Redemption Payable	15 61 141	19 37 030	3 46 958
TDS Payable	1 747	1 079	934
Contract for Purchase of Investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>17 22 363</b>	<b>20 45 621</b>	<b>4 39 232</b>



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	160 70 15 401	125 04 09 225	85 11 48 607
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
Others - Mutual Fund Units	1 47 44 721	4 77 78 321	59 28 125
<b>Total</b>	<b>162 17 60 122</b>	<b>129 81 87 546</b>	<b>85 70 76 732</b>

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Other Current Assets</b>			
Balances with bank in a current account	1 482	32 117	-
Contracts for sale of investments	-	-	-
Outstanding and accrued income	7 29 523	2 53 539	4 54 179
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>7 31 005</b>	<b>2 85 656</b>	<b>4 54 179</b>

## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receives funds on consolidated basis in respect of such allotment/redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipts of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 21<sup>st</sup> May, 2009.
3. **Investment pattern to be followed as per the PFRDA Regulations:**
  - (a) Shares of body corporates listed on Bombay Stock Exchange (BSE) or National Stock Exchange (NSE), which have:
    - (i) Market Capitalisation of not less than Rs. 5000 crore as on the date of investment;
    - (ii) And derivatives with the shares as underlying traded in the either of the two stock exchange.
  - (b) Units of Mutual funds regulated by the Securities and Exchange Board of India, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE.
  - (c) Exchange Traded Funds (ETFs) / Index Funds regulated by the Securities and Exchange Board of India that replicate the portfolio of either BSE Index or NSE Nifty 50 Index.
  - (d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.

- (e) Exchange traded derivatives regulated by Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.

Provided that the portfolio invested in derivatives in terms of contract value shall not be in excess of 5% of the total portfolio invested in sub – categories (a) to (d) above.

- 4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### C. Significant Accounting Policies

- 1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. **Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

**a. Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
  - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
  - b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
  - ix. Partly paid bonds are valued at cost till it is fully paid.
  - x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.
- c. Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.
- 4. Appreciation/Depreciation,** as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
- 5. Income Recognition:**
- a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest – bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis
- 6. Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. **Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 75,345	₹ 48,984

\* excluding service tax

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

- F. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 75,345	₹ 48,984

- G. **Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
336.27	223.55	311.89	207.34	380.97	386.96	344.14	349.55

- H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ NIL. (Previous Period ₹ NIL)

**I. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 25.5271	₹ 25.5270	₹ 23.9272

\* NAV not declared, being a non - business day

\*\* On last business day

**J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
17.14	11.39	7.90	5.25	9.95	10.11	2.31	2.34

**K. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**L. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 292.18	₹ 1.47	₹ 347.71	₹ 4.78

₹ in Crores



**M. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is given in Annexure A.

**N.** The Previous Year figures are regrouped / reclassified, wherever necessary.

# ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
AUROBINDO PHARMA LTD.	6,900	4,772,385	0.29	0.30
DIVIS LABORATORIES LTD.	10,526	9,007,625	0.56	0.56
LUPIN LTD.	10,625	10,773,750	0.66	0.67
DR. REDDYS LABORATORIES LTD.	5,278	12,291,143	0.76	0.76
CIPLA LTD.	33,494	19,630,833	1.21	1.22
SUN PHARMACEUTICAL INDUSTRIES LTD.	52,160	26,249,520	1.62	1.63
		<b>82,725,255</b>	<b>5.10</b>	<b>5.14</b>
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	344,520	88,989,516	5.49	5.54
		<b>88,989,516</b>	<b>5.49</b>	<b>5.54</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	42,000	26,348,700	1.63	1.64
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	39,794	69,327,117	4.28	4.31
		<b>95,675,817</b>	<b>5.91</b>	<b>5.95</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
HCL TECHNOLOGIES LIMITED	5,578	4,879,634	0.30	0.30
TECH MAHINDRA LTD.	25,150	11,514,928	0.71	0.72
TATA CONSULTANCY SERVICES LTD.	13,486	32,851,222	2.03	2.04
INFOSYS LTD.	68,831	61,941,017	3.82	3.85
		<b>111,186,801</b>	<b>6.86</b>	<b>6.91</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
PUNJAB NATIONAL BANK	3,627	468,064	0.03	0.03
IDFC BANK LIMITED	64,936	3,662,390	0.23	0.23
BANK OF BARODA	108,120	14,877,312	0.92	0.93
INDUSIND BANK LTD.	17,617	29,635,317	1.83	1.84
STATE BANK OF INDIA	128,487	32,616,425	2.01	2.03
YES BANK	106,055	37,119,250	2.29	2.31
KOTAK MAHINDRA BANK LTD.	45,772	45,874,987	2.83	2.85
AXIS BANK LTD.	104,143	53,024,408	3.27	3.30
HDFC BANK LTD.	38,037	68,683,411	4.24	4.27
ICICI BANK LTD.	332,135	91,868,541	5.67	5.72
		<b>377,830,106</b>	<b>23.32</b>	<b>23.51</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Liabilities</b>				
Unit Capital	1	6 18 43 229	5 07 99 775	4 28 07 856
Reserves and Surplus	2	6 54 74 680	4 77 97 013	3 42 44 780
Current Liabilities and Provisions	3	1 90 955	1 62 285	28 791
<b>Total</b>		<b>12 75 08 864</b>	<b>9 87 59 073</b>	<b>7 70 81 427</b>
<b>Assets</b>				
Investments	4	12 74 63 546	9 87 45 546	7 70 56 556
Deposits	5	-	-	-
Other Current Assets	6	45 318	13 527	24 871
<b>Total</b>		<b>12 75 08 864</b>	<b>9 87 59 073</b>	<b>7 70 81 427</b>
(a) Net assets as per Balance Sheets		12 73 17 909	9 85 96 788	7 70 52 636
(b) Number of units outstanding		61 84 323	50 79 977	42 80 785
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		9 56 758	3 20 713	6 17 518
Interest		-	-	-
Profit on sale/redemption of investments		8 66 113	2 49 353	1 54 685
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		1 03 02 688	80 96 772	90 93 582
Other income				
- Miscellaneous Income		393	223	-
<b>Total Income (A)</b>		<b>1 21 25 952</b>	<b>86 67 061</b>	<b>98 65 785</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		57 66 060	14 45 207	16 93 179
Loss on sale/redemption of investments		97 800	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		6 659	4 852	3 962
NPS Trust fees		5 711	4 217	3 446
Custodian fees		1 590	( 407)	2 278
Depository and settlement charges		314	404	10
CRA Fees		14 779	13 425	9 213
Less: Amount recoverable on sale of units on account of CRA Charges		( 14 779)	( 13 425)	( 9 213)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>58 78 134</b>	<b>14 54 273</b>	<b>17 02 875</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>62 47 818</b>	<b>72 12 788</b>	<b>81 62 910</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 45 36 628)	( 66 51 565)	( 74 00 403)
Less: Amount transferred (to) / from General Reserve		( 17 11 190)	( 5 61 223)	( 7 62 507)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 1</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
Initial Capital*	481	481	481
<b>Unit Capital</b>			
Outstanding at the beginning of the year	5 07 99 775	4 28 07 856	3 79 38 321
Add :Units issued during the year	1 74 04 500	1 17 91 147	71 46 533
Less: Units redeemed during the year	( 63 61 046)	( 37 99 228)	( 22 76 998)
<b>Outstanding at the end of the year</b>	<b>6 18 43 229</b>	<b>5 07 99 775</b>	<b>4 28 07 856</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	50 79 977	42 80 785	37 93 832
Add :Units issued during the year	17 40 450	11 79 115	7 14 653
Less: Units redeemed during the year	( 6 36 104)	( 3 79 923)	( 2 27 700)
<b>Outstanding units at the end of the year</b>	<b>61 84 323</b>	<b>50 79 977</b>	<b>42 80 785</b>

\* Represents capital on the date of commencement of scheme

<b>Schedule 2</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	1 97 21 470	1 33 82 025	96 97 935
Add: Premium on Units issued	1 80 05 510	95 22 553	52 88 029
Less: Premium on Units redeemed	( 65 75 661)	( 31 83 108)	( 16 03 939)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>3 11 51 319</b>	<b>1 97 21 470</b>	<b>1 33 82 025</b>
<b>General Reserve</b>			
Opening Balance	57 95 184	52 33 961	44 71 454
Add: Transfer from Revenue Account	17 11 190	5 61 223	7 62 507
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>75 06 374</b>	<b>57 95 184</b>	<b>52 33 961</b>
<b>Unrealised Appreciation Account</b>			
Opening Balance	2 22 80 359	1 56 28 794	82 28 391
Add/(Less): Transfer from/(to) Revenue Account	45 36 628	66 51 565	74 00 403
Closing Balance	<b>2 68 16 987</b>	<b>2 22 80 359</b>	<b>1 56 28 794</b>
<b>Total</b>	<b>6 54 74 680</b>	<b>4 77 97 013</b>	<b>3 42 44 780</b>

<b>Schedule 3</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	13 436	9 864	9 260
Bank Overdraft	-	-	-
Redemption Payable	1 77 383	1 52 336	19 448
TDS Payable	136	85	83
Contract for Purchase of Investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>1 90 955</b>	<b>1 62 285</b>	<b>28 791</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	12 44 16 864	9 63 59 005	7 44 61 992
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
Others - Mutual Fund Units	30 46 682	23 86 541	25 94 564
<b>Total</b>	<b>12 74 63 546</b>	<b>9 87 45 546</b>	<b>7 70 56 556</b>

  

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
	-	-	-

  

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Other Current Assets</b>			
Balances with bank in a current account	91	2 737	1
Contracts for sale of investments	-	-	-
Outstanding and accrued income	45 227	10 790	24 870
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>45 318</b>	<b>13 527</b>	<b>24 871</b>

## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust - A/C UTI Retirement Solutions Scheme E – Tier II**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides /receives funds on consolidated basis in respect of such allotment/redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G – Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme – wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> December, 2009.
3. **Investment pattern to be followed as per PFRDA Regulations:**
  - (a) Shares of body corporates listed on Bombay Stock Exchange (BSE) or National Stock Exchange (NSE), which have:
    - (i) Market Capitalisation of not less than Rs. 5000 crore as on the date of investment;
    - (ii) And derivatives with the shares as underlying traded in the either of the two stock exchange.
  - (b) Units of Mutual funds regulated by the Securities and Exchange Board of India, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE.
  - (c) Exchange Traded Funds (ETFs) / Index Funds regulated by the Securities and Exchange Board of India that replicate the portfolio of either BSE Index or NSE Nifty 50 Index.
  - (d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.



- (e) Exchange traded derivatives regulated by Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.

Provided that the portfolio invested in derivatives in terms of contract value shall not be in excess of 5% of the total portfolio invested in sub - categories (a) to (d) above.

- 4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### **C. Significant Accounting Policies**

- 1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. **Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

**a. Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

**iii. Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
    - ix. Partly paid bonds are valued at cost till it is fully paid.
    - x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.
  - c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
  - d. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.
4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/ depreciation is recognised in Revenue Account.
5. **Income Recognition:**
- a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
6. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. **Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 5,711	₹ 4,218

\* excluding service tax

- E. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.
- F. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 5,711	₹ 4,218

- G. **Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
35.66	312.59	33.31	292.06	24.36	287.56	22.88	270.10

- H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ NIL. (Previous Period ₹ NIL).

**I. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 20.5871	₹ 20.5871	₹ 19.4088

\* NAV not declared, being a non - business day

\*\* On last business day

**J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
1.21	10.63	0.59	5.15	0.87	10.23	0.15	1.72

**K. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**L. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 32.52	₹ 0.30	₹ 22.77	₹ 0.24

**M. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is given in Annexure A.

**N.** The Previous Year figures are regrouped/ reclassified, wherever necessary.

# ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	25,187	6,505,802	5.11	5.23
		<b>6,505,802</b>	<b>5.11</b>	<b>5.23</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	3,060	1,919,691	1.51	1.54
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	3,621	6,308,325	4.95	5.07
		<b>8,228,016</b>	<b>6.46</b>	<b>6.61</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
TECH MAHINDRA LTD.	1,278	585,132	0.46	0.47
HCL TECHNOLOGIES LIMITED	1,156	1,011,269	0.79	0.81
TATA CONSULTANCY SERVICES LTD.	1,657	4,036,369	3.17	3.24
INFOSYS LTD.	7,134	6,419,887	5.04	5.16
		<b>12,052,657</b>	<b>9.46</b>	<b>9.68</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
PUNJAB NATIONAL BANK	1,753	226,225	0.18	0.18
IDFC BANK LIMITED	5,000	282,000	0.22	0.23
BANK OF BARODA	9,470	1,303,072	1.02	1.05
YES BANK	6,950	2,432,500	1.91	1.96
STATE BANK OF INDIA	10,994	2,790,827	2.19	2.24
INDUSIND BANK LTD.	1,836	3,088,519	2.43	2.48
AXIS BANK LTD.	6,628	3,374,646	2.65	2.71
KOTAK MAHINDRA BANK LTD.	3,845	3,853,651	3.03	3.10
HDFC BANK LTD.	2,845	5,137,217	4.03	4.13
ICICI BANK LTD.	24,262	6,710,869	5.27	5.39
		<b>29,199,526</b>	<b>22.93</b>	<b>23.47</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Liabilities</b>				
Unit Capital	1	45 74 62 746	38 77 37 272	27 65 43 611
Reserves and Surplus	2	55 47 66 606	43 16 45 534	28 73 17 937
Current Liabilities and Provisions	3	11 05 297	10 99 758	3 82 648
<b>Total</b>		<b>101 33 34 649</b>	<b>82 04 82 564</b>	<b>56 42 44 196</b>
<b>Assets</b>				
Investments	4	97 55 93 236	79 59 74 259	54 33 59 421
Deposits	5	-	-	-
Other Current Assets	6	3 77 41 413	2 45 08 305	2 08 84 775
<b>Total</b>		<b>101 33 34 649</b>	<b>82 04 82 564</b>	<b>56 42 44 196</b>
(a) Net assets as per Balance Sheets		101 22 29 352	81 93 82 806	56 38 61 549
(b) Number of units outstanding		4 57 46 275	3 87 73 727	2 76 54 361
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		3 54 45 135	2 53 44 085	2 01 00 673
Profit on sale/redemption of investments		5 36 156	4 06 501	7 06 166
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		77 06 740	32 70 812	1 87 02 365
Other income				
- Miscellaneous Income		1	-	-
<b>Total Income (A)</b>		<b>4 36 88 032</b>	<b>2 90 21 398</b>	<b>3 95 09 204</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		9 03 419	58 00 337	3 81 270
Loss on sale/redemption of investments		11 218	59 406	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		54 474	37 701	28 803
NPS Trust fees		46 726	32 783	25 045
Custodian fees		15 932	6 468	15 769
Depository and settlement charges		3 328	3 877	987
CRA Fees		5 32 552	8 34 295	6 19 985
Less: Amount recoverable on sale of units on account of CRA Charges		( 5 32 552)	( 8 34 295)	( 6 19 985)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>10 35 097</b>	<b>59 40 572</b>	<b>4 51 874</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>4 26 52 935</b>	<b>2 30 80 826</b>	<b>3 90 57 330</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 68 03 321)	25 29 525	(1 83 21 095)
Less: Amount transferred (to) / from General Reserve		(3 58 49 614)	(2 56 10 351)	(2 07 36 235)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 1	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
Initial Capital*	138	138	138
<b>Unit Capital</b>			
Outstanding at the beginning of the year	38 77 37 272	27 65 43 611	22 39 56 320
Add :Units issued during the year	8 70 34 607	12 05 40 083	6 14 61 975
Less: Units redeemed during the year	(1 73 09 133)	( 93 46 422)	( 88 74 684)
<b>Outstanding at the end of the year</b>	<b>45 74 62 746</b>	<b>38 77 37 272</b>	<b>27 65 43 611</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	3 87 73 727	2 76 54 361	2 23 95 632
Add :Units issued during the year	87 03 461	1 20 54 008	61 46 198
Less: Units redeemed during the year	( 17 30 913)	( 9 34 642)	( 8 87 469)
<b>Outstanding units at the end of the year</b>	<b>4 57 46 275</b>	<b>3 87 73 727</b>	<b>2 76 54 361</b>

\* Represents capital on the date of commencement of scheme

Schedule 2	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	30 15 96 422	18 03 49 651	13 05 53 244
Add: Premium on Units issued	10 06 74 807	13 14 45 137	5 82 64 419
Less: Premium on Units redeemed	(2 02 06 670)	(1 01 98 366)	( 84 68 012)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>38 20 64 559</b>	<b>30 15 96 422</b>	<b>18 03 49 651</b>
<b>General Reserve</b>			
Opening Balance	10 37 09 524	7 80 99 173	5 73 62 938
Add: Transfer from Revenue Account	3 58 49 614	2 56 10 351	2 07 36 235
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>13 95 59 138</b>	<b>10 37 09 524</b>	<b>7 80 99 173</b>
<b>Unrealised Appreciation Account</b>			
Opening Balance	2 63 39 588	2 88 69 113	1 05 48 018
Add: Transfer from Revenue Account	68 03 321	( 25 29 525)	1 83 21 095
Closing Balance	<b>3 31 42 909</b>	<b>2 63 39 588</b>	<b>2 88 69 113</b>
<b>Total</b>	<b>55 47 66 606</b>	<b>43 16 45 534</b>	<b>28 73 17 937</b>

Schedule 3	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	93 495	60 603	61 982
Book Overdraft	-	-	-
Redemption Payable	10 10 683	10 38 476	3 20 071
TDS Payable	1 119	679	595
Contract for Purchase of Investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>11 05 297</b>	<b>10 99 758</b>	<b>3 82 648</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	96 11 26 970	77 60 73 045	53 96 67 906
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
Others - Mutual Fund Units	1 44 66 266	1 99 01 214	36 91 515
<b>Total</b>	<b>97 55 93 236</b>	<b>79 59 74 259</b>	<b>54 33 59 421</b>

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
	-	-	-

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Other Current Assets</b>			
Balances with bank in a current account	1	3 32 189	-
Contracts for sale of investments	-	-	-
Outstanding and accrued income	3 77 41 412	2 41 76 116	2 08 84 775
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>3 77 41 413</b>	<b>2 45 08 305</b>	<b>2 08 84 775</b>

## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units Axis Bank Ltd., being the Trustee Bank, provides/receives funds on consolidated basis in respect of such allotment/redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G – Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme – wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 21<sup>st</sup> May, 2009.
3. **Investment pattern to be followed as per the PFRDA Regulations:**
  - (a) Listed (or proposed to be listed in case of fresh issue) debt securities issued by bodies corporate, including banks and public financial institutions (Public Financial Institutions as defined under Section 2 of the Companies Act, 2013), which have a minimum residual maturity period of three years from the date of investment.
  - (b) Basel III Tier – 1 Bonds issued by scheduled commercial banks under RBI Guidelines:
  - (c) Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank.
  - (d) Term deposit Receipts of not less than one year duration issued by scheduled commercial banks, which satisfy the following conditions on the basis of published annual report(s) for the most recent years, as required to have been published by them under law:
    - (i) Having declared profit in the immediately preceding three financial years;

- (ii) maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%, or mandated by prevailing RBI norms, whichever is higher;
  - (iii) having net non-performing assets of not more than 4% of the net advances;
  - (iv) having a minimum net worth of not less than Rs. 200 crores.
- (e) Units of Debt Mutual Funds as regulated by Securities and Exchange Board of India;
- (f) The following infrastructure related debt instruments:
- (i) Listed (or proposed to be listed in case of fresh issue) debt securities issued by body corporates engaged mainly in the business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing.
  - (ii) Infrastructure and affordable housing Bonds issued by any scheduled commercial bank, which meets the conditions specified in (ii) (d) above.
  - (iii) Listed (or proposed to be listed in case of fresh issue) securities issued by Infrastructure debt funds operating as a Non - Banking Financial Company and regulated by Reserve Bank of India.
  - (iv) Listed (or proposed to be listed in case of fresh issue) units issued by Infrastructure Debt Funds operating as a Mutual Fund and regulated by Securities and Exchange Board of India.

It is further clarified that, barring exceptions mentioned above, for the purpose of this sub - category (f), a sector shall be treated as part of infrastructure as per Government of India's harmonized master list of infrastructure sub - sectors.

- (g) Listed and proposed to be listed Credit Rated Municipal Bonds

Provided that the investment under sub - categories (a), (b), (f) (i) to (iv) and (g) of this category no. (ii) shall be made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from at least two credit rating agencies registered with the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulation, 1999.

Provided further that in case of the sub - category (f) (iii) the rating shall relate to the Non - Banking Financial Company and for the sub - category (f) (iv) the ratings shall relate to the investment in eligible securities rated above investment grade of the scheme of the fund.

Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of all the ratings shall be considered.

Provided further that investments under this category requiring a minimum AA rating, as specified above, shall be permissible in securities having investment grade rating below AA in case the risk of default for such securities is fully covered with Credit Default Swaps (CDSs) issued under Guidelines of the Reserve Bank of India and purchased alongwith the underlying securities. Purchase amount of such Swaps shall be considered to be investment made under this category.

For sub - category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.

It is clarified that debt securities covered under category (i) (b) above are excluded from this category.

**Miscellaneous Investments (upto 5%)**

- (a) Commercial mortgage based Securities or Residential mortgage based securities
- (b) Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India.
- (c) Asset Backed Securities regulated by the Securities and Exchange Board of India.
- (d) Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India.

Provided that investment under this category shall only be in listed infrastructure or fresh issues that are proposed to be listed.

Provided further that investment under this category shall be made only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999.

Provided further that in case of the sub - category (a) and (d) the rating shall relate to the rating of the sponsor entity floating the trust. Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of the ratings shall be considered.

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015

### **C. Significant Accounting Policies**

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

**a. Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
  - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
  - b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.



- ix. Partly paid bonds are valued at cost till it is fully paid.
  - x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.
- c. Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.
- 4. Appreciation/Depreciation,** as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
- 5. Income Recognition:**
- a. Dividend income is accrued on the “ex-dividend” date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
- 6. Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
- 7. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 30-09-17
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.

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

- F. **Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 46,726	₹ 32,783

\* excluding service tax

- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 46,726	₹ 32,783

**H. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
201.49	215.99	183.85	197.08	151.93	230.61	126.16	191.49

**I.** The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ 38.82 Crores. (Previous Period ₹ 25.53 Crores).

**J. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 22.1270	₹ 22.1224	₹ 21.1324

\* NAV not declared, being a non - business day

\*\* On last business day

**K. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
4.37	4.68	0.10	0.11	2.90	4.40	0.59	0.90

**L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**M. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 182.85	₹ 1.45	₹ 127.15	₹ 1.99

**N. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is given in Annexure A.

**O.** The Previous Year figures are regrouped/ reclassified, wherever necessary.

# ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to Investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS</b>				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	550,000	58,338,500	5.74	6.12
		<b>58,338,500</b>	<b>5.74</b>	<b>6.12</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, T</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	530,000	53,535,242	5.28	5.63
		<b>53,535,242</b>	<b>5.28</b>	<b>5.63</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
EXPORT IMPORT BANK OF INDIA	610,000	64,068,307	6.33	6.73
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	140,000	13,977,969	1.38	1.48
		<b>78,046,276</b>	<b>7.71</b>	<b>8.21</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	900,000	92,854,769	9.17	9.75
HDFC BANK LTD.	150,000	15,352,305	1.52	1.61
ICICI BANK LTD.	790,000	82,366,063	8.13	8.67
IDFC BANK LIMITED	140,000	14,695,755	1.45	1.54
KOTAK MAHINDRA BANK LTD.	80,000	8,445,544	0.83	0.89
PUNJAB NATIONAL BANK	20,000	2,045,394	0.20	0.21
YES BANK	100,000	10,125,940	1.00	1.06
		<b>225,885,770</b>	<b>22.30</b>	<b>23.73</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	260,000	27,042,438	2.67	2.84
LIC HOUSING FINANCE LTD.	770,000	80,246,007	7.93	8.42
PNB HOUSING FINANCE LIMITED	80,000	8,186,764	0.81	0.86
		<b>115,475,209</b>	<b>11.41</b>	<b>12.12</b>
<b>OTHER CREDIT GRANTING</b>				
CAN FIN HOMES LTD.	30,000	3,084,726	0.30	0.32
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	50,000	4,961,955	0.49	0.52
POWER FINANCE CORPORATION LTD.	780,000	79,877,549	7.88	8.39
RURAL ELECTRIFICATION CORPORATION LIMITED	750,000	77,937,288	7.69	8.19
		<b>165,861,518</b>	<b>16.36</b>	<b>17.42</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Liabilities</b>				
Unit Capital	1	3 92 62 081	3 31 34 013	2 85 59 044
Reserves and Surplus	2	4 36 59 774	3 37 10 695	2 71 14 164
Current Liabilities and Provisions	3	82 380	1 13 784	10 24 104
<b>Total</b>		<b>8 30 04 235</b>	<b>6 69 58 492</b>	<b>5 66 97 312</b>
<b>Assets</b>				
Investments	4	8 03 66 618	6 46 43 930	5 50 02 185
Deposits	5	-	-	-
Other Current Assets	6	26 37 617	23 14 562	16 95 127
<b>Total</b>		<b>8 30 04 235</b>	<b>6 69 58 492</b>	<b>5 66 97 312</b>
(a) Net assets as per Balance Sheets		8 29 21 855	6 68 44 708	5 56 73 208
(b) Number of units outstanding		39 26 208	33 13 401	28 55 904
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		28 25 872	23 81 332	19 49 032
Profit on sale/redemption of investments		50 339	65 742	38 753
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		5 69 716	1 64 045	17 55 230
Other income		-	-	-
- Miscellaneous Income		-	-	-
<b>Total Income (A)</b>		<b>34 45 927</b>	<b>26 11 119</b>	<b>37 43 015</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		1 03 173	5 57 722	223
Loss on sale/redemption of investments		-	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		4 319	3 543	2 820
NPS Trust fees		3 705	3 081	2 453
Custodian fees		1 271	612	1 541
Depository and settlement charges		608	573	201
CRA Fees		7 955	7 855	6 007
Less: Amount recoverable on sale of units on account of CRA Charges		( 7 955)	( 7 855)	( 6 007)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>1 13 076</b>	<b>5 65 531</b>	<b>7 238</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>33 32 851</b>	<b>20 45 588</b>	<b>37 35 777</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 4 66 543)	3 93 677	( 17 55 006)
Less: Amount transferred (to) / from General Reserve		( 28 66 308)	( 24 39 265)	( 19 80 771)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 1	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
Initial Capital*	38	38	38
<b>Unit Capital</b>			
Outstanding at the beginning of the year	3 31 34 013	2 85 59 044	2 53 87 262
Add :Units issued during the year	94 35 974	70 57 731	52 96 304
Less: Units redeemed during the year	( 33 07 906)	( 24 82 762)	( 21 24 522)
<b>Outstanding at the end of the year</b>	<b>3 92 62 081</b>	<b>3 31 34 013</b>	<b>2 85 59 044</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	33 13 401	28 55 904	25 38 726
Add :Units issued during the year	9 43 598	7 05 773	5 29 630
Less: Units redeemed during the year	( 3 30 791)	( 2 48 276)	( 2 12 452)
<b>Outstanding units at the end of the year</b>	<b>39 26 208</b>	<b>33 13 401</b>	<b>28 55 904</b>

\* Represents capital on the date of commencement of scheme

Schedule 2	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	1 76 28 870	1 30 77 927	1 01 84 506
Add: Premium on Units issued	1 01 13 313	70 24 662	46 95 967
Less: Premium on Units redeemed	( 34 97 085)	( 24 73 719)	( 18 02 546)
Add: Transfer from General Reserve	-	-	-
<b>Closing Balance</b>	<b>2 42 45 098</b>	<b>1 76 28 870</b>	<b>1 30 77 927</b>
<b>General Reserve</b>			
Opening Balance	1 34 13 461	1 09 74 196	89 93 425
Add: Transfer from/(to) Revenue Account	28 66 308	24 39 265	19 80 771
Less: Transfer to Unit Premium Reserve	-	-	-
<b>Closing Balance</b>	<b>1 62 79 769</b>	<b>1 34 13 461</b>	<b>1 09 74 196</b>
<b>Unrealised Appreciation Account</b>			
Opening Balance	26 68 364	30 62 041	13 07 035
Add/(Less): Transfer from/(to) Revenue Account	4 66 543	( 3 93 677)	17 55 006
<b>Closing Balance</b>	<b>31 34 907</b>	<b>26 68 364</b>	<b>30 62 041</b>
<b>Total</b>	<b>4 36 59 774</b>	<b>3 37 10 695</b>	<b>2 71 14 164</b>

Schedule 3	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	8 476	5 915	6 955
Bank Overdraft	-	-	-
Redemption Payable	73 804	1 07 811	11 233
TDS Payable	100	58	62
Contract for Purchase of Investments	-	-	10 05 854
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>82 380</b>	<b>1 13 784</b>	<b>10 24 104</b>



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	7 86 91 807	6 31 12 524	5 32 33 996
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
Others - Mutual Fund Units	16 74 811	15 31 406	17 68 189
<b>Total</b>	<b>8 03 66 618</b>	<b>6 46 43 930</b>	<b>5 50 02 185</b>
<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Other Current Assets</b>			
Balances with bank in a current account	-	2 08 908	1
Contracts for sale of investments	-	-	-
Outstanding and accrued income	26 37 617	21 05 654	16 95 126
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>26 37 617</b>	<b>23 14 562</b>	<b>16 95 127</b>

## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust - A/C UTI Retirement Solutions Scheme C - Tier II**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment/redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instruct Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> December, 2009.
3. **Investment pattern to be followed as per the PFRDA Regulations:**
  - (a) Listed (or proposed to be listed in case of fresh issue) debt securities issued by bodies corporate, including banks and public financial institutions (Public Financial Institutions as defined under Section 2 of the Companies Act, 2013), which have a minimum residual maturity period of three years from the date of investment.
  - (b) Basel III Tier - 1 Bonds issued by scheduled commercial banks under RBI Guidelines:
  - (c) Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank.
  - (d) Term deposit Receipts of not less than one year duration issued by scheduled commercial banks, which satisfy the following conditions on the basis of published annual report(s) for the most recent years, as required to have been published by them under law:

- (i) Having declared profit in the immediately preceding three financial years;
  - (ii) maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%, or mandated by prevailing RBI norms, whichever is higher;
  - (iii) having net non-performing assets of not more than 4% of the net advances;
  - (iv) having a minimum net worth of not less than Rs. 200 crores.
- (e) Units of Debt Mutual Funds as regulated by Securities and Exchange Board of India;
- (f) The following infrastructure related debt instruments:
- (i) Listed (or proposed to be listed in case of fresh issue) debt securities issued by body corporates engaged mainly in the business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing.
  - (ii) Infrastructure and affordable housing Bonds issued by any scheduled commercial bank, which meets the conditions specified in (ii) (d) above.
  - (iii) Listed (or proposed to be listed in case of fresh issue) securities issued by Infrastructure debt funds operating as a Non – Banking Financial Company and regulated by Reserve Bank of India.
  - (iv) Listed (or proposed to be listed in case of fresh issue) units issued by Infrastructure Debt Funds operating as a Mutual Fund and regulated by Securities and Exchange Board of India.

It is further clarified that, barring exceptions mentioned above, for the purpose of this sub – category (f), a sector shall be treated as part of infrastructure as per Government of India's harmonized master list of infrastructure sub – sectors.

- (g) Listed and proposed to be listed Credit Rated Municipal Bonds

Provided that the investment under sub – categories (a), (b), (f) (i) to (iv) and (g) of this category no. (ii) shall be made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from at least two credit rating agencies registered with the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulation, 1999.

Provided further that in case of the sub - category (f) (iii) the rating shall relate to the Non - Banking Financial Company and for the sub - category (f) (iv) the ratings shall relate to the investment in eligible securities rated above investment grade of the scheme of the fund.

Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of all the ratings shall be considered.

Provided further that investments under this category requiring a minimum AA rating, as specified above, shall be permissible in securities having investment grade rating below AA in case the risk of default for such securities is fully covered with Credit Default Swaps (CDSs) issued under Guidelines of the Reserve Bank of India and purchased alongwith the underlying securities. Purchase amount of such Swaps shall be considered to be investment made under this category.

For sub - category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.

It is clarified that debt securities covered under category (i) (b) above are excluded from this category.

**Miscellaneous Investments (upto 5%)**

- (a) Commercial mortgage based Securities or Residential mortgage based securities
- (b) Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India.
- (c) Asset Backed Securities regulated by the Securities and Exchange Board of India.
- (d) Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India.

Provided that investment under this category shall only be in listed infrastructure or fresh issues that are proposed to be listed.

Provided further that investment under this category shall be made only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999.

Provided further that in case of the sub - category (a) and (d) the rating shall relate to the rating of the sponsor entity floating the trust. Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of the ratings shall be considered.

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### **C. Significant Accounting Policies**

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

**a. Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
  - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
  - b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.

- ix. Partly paid bonds are valued at cost till it is fully paid.
  - x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.
- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
- d. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.
4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
5. **Income Recognition:**
- a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
6. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.



- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 30-09-17
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.

- E. **Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.
- F. **Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 3,704	₹ 3,081

\* excluding service tax

- G. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 3,704	₹ 3,081

- H. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
15.84	214.18	14.29	193.17	11.36	183.57	10.35	167.34

- I.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ 4.02 Crores. (Previous Period ₹ 2.34 Crore).

- J. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 21.1201	₹ 21.1156	₹ 20.1740

\* NAV not declared, being a non - business day

\*\* On last business day

- K. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
0.34	4.66	0.01	0.15	0.26	4.22	0.06	0.91

- L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

- M. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 14.30	₹ 0.17	₹ 10.22	₹ 0.15

**N. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is given in Annexure A.

**O.** The Previous Year figures are regrouped/ reclassified, wherever necessary.

# ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
EXPORT IMPORT BANK OF INDIA	30,000	3,084,297	3.73	3.97
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	10,000	989,417	1.19	1.27
		<b>4,073,714</b>	<b>4.92</b>	<b>5.24</b>
<b>ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS</b>				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	50,000	5,427,001	6.53	6.99
		<b>5,427,001</b>	<b>6.53</b>	<b>6.99</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	40,000	4,372,392	5.27	5.63
		<b>4,372,392</b>	<b>5.27</b>	<b>5.63</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	10,000	1,036,329	1.25	1.33
LIC HOUSING FINANCE LTD.	50,000	5,199,439	6.27	6.69
PNB HOUSING FINANCE LIMITED	30,000	3,067,871	3.70	3.95
		<b>9,303,639</b>	<b>11.22</b>	<b>11.97</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	30,000	3,239,306	3.91	4.17
HDFC BANK LTD.	50,000	5,117,435	6.17	6.59
ICICI BANK LTD.	70,000	7,302,548	8.81	9.41
IDFC BANK LIMITED	10,000	1,063,293	1.28	1.37
KOTAK MAHINDRA BANK LTD.	10,000	1,055,693	1.27	1.36
		<b>17,778,275</b>	<b>21.44</b>	<b>22.90</b>
<b>OTHER CREDIT GRANTING</b>				
POWER FINANCE CORPORATION LTD.	60,000	6,254,126	7.54	8.05
RURAL ELECTRIFICATION CORPORATION LIMITED	60,000	6,243,465	7.53	8.03
		<b>12,497,591</b>	<b>15.07</b>	<b>16.08</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Liabilities</b>				
Unit Capital	1	75 41 49 367	62 73 83 134	44 01 15 832
Reserves and Surplus	2	79 41 31 418	60 16 14 798	41 39 18 518
Current Liabilities and Provisions	3	12 24 656	25 33 532	23 98 802
<b>Total</b>		<b>154 95 05 441</b>	<b>123 15 31 464</b>	<b>85 64 33 152</b>
<b>Assets</b>				
Investments	4	152 06 82 227	121 13 00 431	84 41 37 703
Deposits	5	-	-	-
Other Current Assets	6	2 88 23 214	2 02 31 033	1 22 95 449
<b>Total</b>		<b>154 95 05 441</b>	<b>123 15 31 464</b>	<b>85 64 33 152</b>
(a) Net assets as per Balance Sheets		154 82 80 785	122 89 97 932	85 40 34 350
(b) Number of units outstanding		7 54 14 937	6 27 38 314	4 40 11 583
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		5 10 70 746	3 55 26 775	2 83 68 902
Profit on sale/redemption of investments		23 94 323	38 03 660	26 97 985
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		1 31 98 160	4 51 235	4 72 38 193
Other income		-	-	-
- Miscellaneous Income		-	-	-
<b>Total Income (A)</b>		<b>6 66 63 229</b>	<b>3 97 81 670</b>	<b>7 83 05 080</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		15 85 248	3 20 54 620	13 34 552
Loss on sale/redemption of investments		-	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		83 045	56 684	43 440
NPS Trust fees		71 226	49 291	37 775
Custodian fees		24 198	9 264	23 785
Depository and settlement charges		9 039	10 023	3 152
CRA Fees		8 14 135	12 68 580	9 52 853
Less: Amount recoverable on sale of units on account of CRA Charges		( 8 14 135)	( 12 68 580)	( 9 52 853)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>17 72 756</b>	<b>3 21 79 882</b>	<b>14 42 704</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>6 48 90 473</b>	<b>76 01 788</b>	<b>7 68 62 376</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1 16 12 912)	3 16 03 385	(4 59 03 641)
Less: Amount transferred (to) / from General Reserve		(5 32 77 561)	(3 92 05 173)	(3 09 58 735)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 1</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
Initial Capital*	92	92	92
<b>Unit Capital</b>			
Outstanding at the beginning of the year	62 73 83 134	44 01 15 832	35 76 95 388
Add :Units issued during the year	14 63 50 481	20 10 26 465	10 04 45 682
Less: Units redeemed during the year	(1 95 84 248)	(1 37 59 163)	(1 80 25 238)
<b>Outstanding at the end of the year</b>	<b>75 41 49 367</b>	<b>62 73 83 134</b>	<b>44 01 15 832</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	6 27 38 314	4 40 11 583	3 57 69 539
Add :Units issued during the year	1 46 35 048	2 01 02 647	1 00 44 568
Less: Units redeemed during the year	( 19 58 425)	( 13 75 916)	( 18 02 524)
<b>Outstanding units at the end of the year</b>	<b>7 54 14 937</b>	<b>6 27 38 314</b>	<b>4 40 11 583</b>

\* Represents capital on the date of commencement of scheme

<b>Schedule 2</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	41 85 92 061	23 84 97 569	17 12 98 434
Add: Premium on Units issued	14 75 48 916	19 34 21 296	8 24 20 634
Less: Premium on Units redeemed	(1 99 22 769)	(1 33 26 804)	(1 52 21 499)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>54 62 18 208</b>	<b>41 85 92 061</b>	<b>23 84 97 569</b>
<b>General Reserve</b>			
Opening Balance	15 27 51 122	11 35 45 949	8 25 87 214
Add: Transfer from Revenue Account	5 32 77 561	3 92 05 173	3 09 58 735
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>20 60 28 683</b>	<b>15 27 51 122</b>	<b>11 35 45 949</b>
<b>Unrealised Appreciation Account</b>			
Opening Balance	3 02 71 615	6 18 75 000	1 59 71 359
Add/(Less): Transfer from/(to) Revenue Account	1 16 12 912	(3 16 03 385)	4 59 03 641
Closing Balance	<b>4 18 84 527</b>	<b>3 02 71 615</b>	<b>6 18 75 000</b>
<b>Total</b>	<b>79 41 31 418</b>	<b>60 16 14 798</b>	<b>41 39 18 518</b>

<b>Schedule 3</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	1 51 174	95 918	96 397
Book Overdraft	-	-	-
Redemption Payable	10 71 705	24 36 599	23 01 489
TDS Payable	1 777	1 015	916
Contract for Purchase of Investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>12 24 656</b>	<b>25 33 532</b>	<b>23 98 802</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	150 63 94 310	117 35 72 523	82 96 34 620
Commercial Paper	-	-	-
Others - Mutual Fund Units	1 42 87 917	3 77 27 908	1 45 03 083
<b>Total</b>	<b>152 06 82 227</b>	<b>121 13 00 431</b>	<b>84 41 37 703</b>

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
	-	-	-

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Other Current Assets</b>			
Balances with bank in a current account	-	-	-
Contracts for sale of investments	-	-	-
Outstanding and accrued income	2 88 23 214	2 02 31 033	1 22 95 449
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>2 88 23 214</b>	<b>2 02 31 033</b>	<b>1 22 95 449</b>



## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides /receives funds on consolidated basis in respect of such allotment /redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 21<sup>st</sup> May, 2009.
3. **Investment pattern to be followed as per PFRDA Regulations:**  
Investments will be in -
  - (a) Government of India Bonds
  - (b) State Government Bonds
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### **C. Significant Accounting Policies**

- 1. Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. Investments:**
  - a. Investments are accounted on trade date.
  - b. The cost includes service tax on brokerage.
  - c. Cost is determined on the basis of weighted average cost.
  - d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex -date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.
- 3. Valuation of investments:** Investments are valued using the price determined in the following manner:
  - a. Equity:**
    - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
    - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

**iii. Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- ix. Partly paid bonds are valued at cost till it is fully paid.
- x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**c. Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

- d. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.
4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
5. **Income Recognition:**
- Dividend income is accrued on the "ex-dividend" date.
  - Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - Interest on Fixed Assets is accounted on accrual basis.
6. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited /debited to Unit Premium Reserve after each subscription /redemption.
- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 30-09-17
1. Valuation of G-sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 0.20 Crores.

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

**F. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 71,226	₹ 49,291

\* excluding service tax

**G. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 71,226	₹ 49,291

**H. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
230.87	162.34	200.69	141.12	229.24	231.40	189.05	190.83

**I.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ NIL. (Previous Period ₹ NIL)

**J. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 20.5301	₹ 20.5260	₹ 19.5892

\* NAV not declared, being a non - business day

\*\* On last business day

**K. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
6.67	4.69	0.18	0.12	3.98	4.02	3.22	3.25

**L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**M. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 191.30	₹ 1.43	₹ 182.17	₹ 3.77

**N.** The Previous Year figures are regrouped/ reclassified, wherever necessary.

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Liabilities</b>				
Unit Capital	1	4 85 04 166	4 06 32 143	3 34 16 001
Reserves and Surplus	2	5 37 08 247	4 09 03 494	3 29 24 958
Current Liabilities and Provisions	3	1 00 376	3 43 367	23 213
<b>Total</b>		<b>10 23 12 789</b>	<b>8 18 79 004</b>	<b>6 63 64 172</b>
<b>Assets</b>				
Investments	4	10 04 25 864	8 05 32 028	6 53 57 660
Deposits	5	-	-	-
Other Current Assets	6	18 86 925	13 46 976	10 06 512
<b>Total</b>		<b>10 23 12 789</b>	<b>8 18 79 004</b>	<b>6 63 64 172</b>
(a) Net assets as per Balance Sheets		10 22 12 413	8 15 35 637	6 63 40 959
(b) Number of units outstanding		48 50 416	40 63 214	33 41 600
Significant Accounting Policies and Notes to Accounts	7			



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		33 02 516	26 93 323	21 42 770
Profit on sale/redemption of investments		1 19 798	42 004	1 44 252
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		10 28 656	3 655	36 51 469
Other income				
- Miscellaneous Income		1	-	-
<b>Total Income (A)</b>		<b>44 50 971</b>	<b>27 38 982</b>	<b>59 38 491</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		1 21 004	21 19 920	25 050
Loss on sale/redemption of investments		-	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		5 347	4 269	3 294
NPS Trust fees		4 587	3 711	2 864
Custodian fees		1 538	705	1 787
Depository and settlement charges		1 209	1 020	632
CRA Fees		9 400	9 383	6 887
Less: Amount recoverable on sale of units on account of CRA Charges		( 9 400)	( 9 383)	( 6 887)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>1 33 685</b>	<b>21 29 625</b>	<b>33 627</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>43 17 286</b>	<b>6 09 357</b>	<b>59 04 864</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 9 07 652)	21 16 265	( 36 26 419)
Less: Amount transferred (to) / from General Reserve		( 34 09 634)	( 27 25 622)	( 22 78 445)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

7

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 1	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
Initial Capital*	96	96	96
<b>Unit Capital</b>			
Outstanding at the beginning of the year	4 06 32 143	3 34 16 001	2 85 43 461
Add :Units issued during the year	1 14 23 202	95 94 419	62 13 501
Less: Units redeemed during the year	( 35 51 179)	( 23 78 277)	( 13 40 961)
<b>Outstanding at the end of the year</b>	<b>4 85 04 166</b>	<b>4 06 32 143</b>	<b>3 34 16 001</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	40 63 214	33 41 600	28 54 346
Add :Units issued during the year	11 42 320	9 59 442	6 21 350
Less: Units redeemed during the year	( 3 55 118)	( 2 37 828)	( 1 34 096)
<b>Outstanding units at the end of the year</b>	<b>48 50 416</b>	<b>40 63 214</b>	<b>33 41 600</b>

\* Represents capital on the date of commencement of scheme

Schedule 2	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	2 40 45 402	1 66 76 223	1 22 71 531
Add: Premium on Units issued	1 22 66 314	97 87 195	55 68 625
Less: Premium on Units redeemed	( 37 78 847)	( 24 18 016)	( 11 63 933)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>3 25 32 869</b>	<b>2 40 45 402</b>	<b>1 66 76 223</b>
<b>General Reserve</b>			
Opening Balance	1 42 80 516	1 15 54 894	92 76 449
Add: Transfer from Revenue Account	34 09 634	27 25 622	22 78 445
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>1 76 90 150</b>	<b>1 42 80 516</b>	<b>1 15 54 894</b>
<b>Unrealised Appreciation Account</b>			
Opening Balance	25 77 576	46 93 841	10 67 422
Add/(Less): Transfer from/(to) Revenue Account	9 07 652	( 21 16 265)	36 26 419
Closing Balance	<b>34 85 228</b>	<b>25 77 576</b>	<b>46 93 841</b>
<b>Total</b>	<b>5 37 08 247</b>	<b>4 09 03 494</b>	<b>3 29 24 958</b>

Schedule 3	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	11 367	7 698	8 904
Bank Overdraft	-	-	-
Redemption Payable	88 881	3 35 599	14 231
TDS Payable	128	70	78
Contract for Purchase of Investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>1 00 376</b>	<b>3 43 367</b>	<b>23 213</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	9 91 37 468	7 86 20 552	6 41 06 423
Commercial Paper	-	-	-
Others - Mutual Fund Units	12 88 396	19 11 476	12 51 237
<b>Total</b>	<b>10 04 25 864</b>	<b>8 05 32 028</b>	<b>6 53 57 660</b>

  

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
	-	-	-

  

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Other Current Assets</b>			
Balances with bank in a current account	-	1	1
Contracts for sale of investments	-	-	-
Outstanding and accrued income	18 86 925	13 46 975	10 06 511
Balances with bank in a current account	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>18 86 925</b>	<b>13 46 976</b>	<b>10 06 512</b>

## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust – A/C UTI Retirement Solutions Scheme G – Tier II**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> December, 2009.
3. **Investment pattern to be followed as per PFRDA Regulations:**  
Investments will be in -
  - (a) Government of India Bonds
  - (b) State Government Bonds
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### **C. Significant Accounting Policies**

- 1. Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex -date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.
- 3. Valuation of investments:** Investments are valued using the price determined in the following manner: .
  - a. Equity:**
    - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
    - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

**iii. Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- ix. Partly paid bonds are valued at cost till it is fully paid.
- x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**c. Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

- d. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from AMFI website.
4. **Appreciation/Depreciation,** as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
5. **Income Recognition:**
- Dividend income is accrued on the "ex-dividend" date.
  - Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - Interest on Fixed Deposits is accounted on accrual basis.
6. **Computation of NAV:** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after.
- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 30-09-17
1. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 1,04,660.70



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

**F. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 4,586	₹ 3,711

\* excluding service tax

**G. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 4,586	₹ 3,711

**H. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
17.87	195.15	15.95	174.21	11.33	151.97	9.57	128.43

**I.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ NIL. (Previous Period ₹ NIL)

**J. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 21.0729	₹ 21.0687	₹ 20.0667

\* NAV not declared, being a non - business day

\*\* On last business day

**K. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
0.45	4.86	0.01	0.15	0.27	3.68	0.21	2.86

**L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**M. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 15.56	₹ 0.13	₹ 9.62	₹ 0.19

**N.** The Previous Year figures are regrouped/ reclassified, wherever necessary.

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Liabilities</b>			
Unit Capital	1	11 13 576	5 38 720
Reserves and Surplus	2	69 479	15 260
Current Liabilities and Provisions	3	54	13
<b>Total</b>		<b>11 83 109</b>	<b>5 53 993</b>
<b>Assets</b>			
Investments	4	11 83 108	5 53 993
Deposits	5	-	-
Other Current Assets	6	1	-
<b>Total</b>		<b>11 83 109</b>	<b>5 53 993</b>
(a) Net assets as per Balance Sheets		11 83 055	5 53 980
(b) Number of units outstanding		1 11 357	53 872
Significant Accounting Policies and Notes to Accounts	7		

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Period ended March 31, 2017 ₹
<b>Income</b>			
Dividend		-	-
Interest		-	-
Profit on sale/redemption of investments		17 221	4 888
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		12 230	1
Other income		-	-
- Miscellaneous Income		-	-
<b>Total Income (A)</b>		<b>29 451</b>	<b>4 889</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		-	-
Loss on sale/redemption of investments		1	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		52	8
NPS Trust fees		45	7
Custodian fees		-	-
Depository and settlement charges		-	-
CRA Fees		1 550	1 105
Less: Amount recoverable on sale of units on account of CRA Charges		( 1 550)	( 1 105)
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>98</b>	<b>15</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>29 353</b>	<b>4 874</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 12 230)	( 1)
Less: Amount transferred (to) / from General Reserve		( 17 123)	( 4 873)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 1	No.	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
Initial Capital*		50	50
<b>Unit Capital</b>			
Outstanding at the beginning of the year		5 38 720	-
Add :Units issued during the year		6 03 282	5 41 964
Less: Units redeemed during the year		( 28 426)	( 3 244)
<b>Outstanding at the end of the year</b>		<b>11 13 576</b>	<b>5 38 720</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year		53 872	-
Add :Units issued during the year		60 328	54 196
Less: Units redeemed during the year		( 2 843)	( 324)
<b>Outstanding units at the end of the year</b>		<b>1 11 357</b>	<b>53 872</b>

\* Represents capital on the date of commencement of scheme

Schedule 2	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	10 386	-
Add: Premium on Units issued	26 323	10 440
Less: Premium on Units redeemed	( 1 457)	( 54)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>35 252</b>	<b>10 386</b>
<b>General Reserve</b>		
Opening Balance	4 873	-
Add: Transfer from Revenue Account	17 123	4 873
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>21 996</b>	<b>4 873</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	1	-
Add/(Less): Transfer from/(to) Revenue Account	12 230	1
Closing Balance	<b>12 231</b>	<b>1</b>
<b>Total</b>	<b>69 479</b>	<b>15 260</b>

Schedule 3	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	53	13
Bank Overdraft	-	-
Redemption Payable	-	-
TDS Payable	1	-
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>54</b>	<b>13</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 4	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
Others - Mutual Fund Units	11 83 108	5 53 993
<b>Total</b>	<b>11 83 108</b>	<b>5 53 993</b>
Schedule 5	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	-
	-	-
Schedule 6	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	1	-
Contracts for sale of investments	-	-
Outstanding and accrued income	-	-
Balances with bank in a current account	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
<b>Total</b>	<b>1</b>	<b>-</b>

## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receives funds on consolidated basis in respect of such allotment/redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G – Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme – wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> October, 2016.
3. **Investment pattern to be followed as per PFRDA Regulations:**
  - a. Commercial mortgage based securities or Residential mortgaged based securities
  - b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India (SEBI)
  - c. Asset backed securities regulated by the SEBI.
  - d. Units issued by Infrastructure Investment Trusts regulated by the SEBI.
  - e. Alternative Investment Funds (AIF Category I & II) registered with SEBI.
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.



### **C. Significant Accounting Policies**

- 1. Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.
- 3. Valuation of investments:** Investments are valued using the price determined in the following manner:
  - a. Equity:**
    - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
    - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

**iii. Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- ix. Partly paid bonds are valued at cost till it is fully paid.
- x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**c. Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

**d. Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

**5. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest – bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.

6. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

- E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 45	₹ 7

\* excluding service tax

- F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 45	₹ 7

- G. Purchase/Sale of Investments:** During the year investments were made only in Liquid Mutual Funds. The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
5.89	6505.67	5.83	6439.46	1.81	12016.94	1.76	11652.99

- H.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ NIL. (Previous Period ₹ NIL)

**I. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 10.6239	₹ 10.6216	₹ 10.6216

\* NAV not declared, being a non - business day

\*\* On last business day

- J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
0.003	3.25	0.00001	0.01	0.0005	3.24	0.000002	0.01

- K. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

- L. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	₹ in Crores			
	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 5.89	₹ 0.12	₹ 1.81	₹ 0.06

- M.** This being the first year of operations, the previous year's figures are not stated.
- N. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is Nil.

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b><u>Liabilities</u></b>			
Unit Capital	1	-	40 236
Reserves and Surplus	2	-	1 157
Current Liabilities and Provisions	3	27	32
<b>Total</b>		<b>27</b>	<b>41 425</b>
<b><u>Assets</u></b>			
Investments	4	-	41 424
Deposits	5	-	-
Other Current Assets	6	27	1
<b>Total</b>		<b>27</b>	<b>41 425</b>
(a) Net assets as per Balance Sheets		-	41 393
(b) Number of units outstanding		-	4 024
Significant Accounting Policies and Notes to Accounts	7		

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Period ended March 31, 2017 ₹
<b>Income</b>			
Dividend		-	-
Interest		-	-
Profit on sale/redemption of investments		792	499
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		-	1
Other income		-	-
- Miscellaneous Income		-	-
<b>Total Income (A)</b>		<b>792</b>	<b>500</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		-	-
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		1	1
NPS Trust fees		2	1
Custodian fees		-	-
Depository and settlement charges		-	-
CRA Fees		-	36
Less: Amount recoverable on sale of units on account of CRA Charges		-	( 36)
Other Expenses		-	-
<b>Total Expenditure (B)</b>		<b>3</b>	<b>2</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>789</b>	<b>498</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		-	( 1)
Less: Amount transferred (to) / from General Reserve		( 789)	( 497)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 1	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
Initial Capital*	40	40
<b>Unit Capital</b>		
Outstanding at the beginning of the year	40 236	-
Add :Units issued during the year	36 964	40 716
Less: Units redeemed during the year	( 77 200)	( 480)
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>40 236</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	4 024	-
Add :Units issued during the year	3 696	4 072
Less: Units redeemed during the year	( 7 720)	( 48)
<b>Outstanding units at the end of the year</b>	<b>-</b>	<b>4 024</b>

\* Represents capital on the date of commencement of scheme

Schedule 2	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	659	-
Add: Premium on Units issued	1 302	669
Less: Premium on Units redeemed	( 3 248)	( 10)
Add: Transfer from General Reserve	-	-
Closing Balance	<b>( 1 287)</b>	<b>659</b>
<b>General Reserve</b>		
Opening Balance	497	-
Add: Transfer from Revenue Account	789	497
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<b>1 286</b>	<b>497</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	1	-
Add/(Less): Transfer from/(to) Revenue Account	-	1
Closing Balance	<b>1</b>	<b>1</b>
<b>Total</b>	<b>-</b>	<b>1 157</b>

Schedule 3	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	-	2
Bank Overdraft	-	-
Redemption Payable	27	30
TDS Payable	-	-
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
<b>Total</b>	<b>27</b>	<b>32</b>



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 4	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
Others - Mutual Fund Units	-	41 424
<b>Total</b>	<b>-</b>	<b>41 424</b>
<hr/>		
Schedule 5	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Deposits</b>		
Deposits with Scheduled Banks	-	-
	-	-
<hr/>		
Schedule 6	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	27	1
Contracts for sale of investments	-	-
Outstanding and accrued income	-	-
Balances with bank in a current account	-	-
Application money pending allotment	-	-
Receivable from other scheme	-	-
<b>Total</b>	<b>27</b>	<b>1</b>

## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust – A/C UTI Retirement Solutions Scheme A – Tier II**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receives funds on consolidated basis in respect of such allotment/redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 20<sup>th</sup> October, 2016.
3. **Investment pattern to be followed as per PFRDA Regulations:**
  - a. Commercial mortgage based securities or Residential mortgaged based securities
  - b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India (SEBI)
  - c. Asset backed securities regulated by the SEBI.
  - d. Units issued by Infrastructure Investment Trusts regulated by the SEBI.
  - e. Alternative Investment Funds (AIF Category I & II) registered with SEBI.
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### **C. Significant Accounting Policies**

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - a. **Equity:**
    - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
    - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

b. **Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- ix. Partly paid bonds are valued at cost till it is fully paid.
- x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

**d. Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

5. **Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest – bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.

6. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

- E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 1	₹ 1

\* excluding service tax

- F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 1	₹ 1

- G. Purchase/Sale of Investments:** During the year investments were made only in Liquid Mutual Funds. The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
0.29	12970.29	0.29	13160.33	0.18	11956.22	0.18	11687.61

- H.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ NIL. (Previous Period ₹ NIL)

- I. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 10.0000	₹ 10.0000	₹ 10.2876

\* NAV not declared, being a non - business day

\*\* On last business day

- J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
0.0001	3.56	0.00000003	0.01	0.0001	3.28	0.00000002	0.01

- K. **Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

- L. **Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 0.29	₹ NIL	₹ 0.18	₹ 0.004

- M. This being the first year of operations, the previous year's figures are not stated.
- N. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is Nil.



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b><u>Liabilities</u></b>				
Unit Capital	1	10264 31 06 907	9352 72 51 372	8458 86 58 500
Reserves and Surplus	2	15484 55 22 298	12938 42 53 921	11111 88 09 546
Current Liabilities and Provisions	3	3 74 71 869	3 03 53 270	10 19 57 018
<b>Total</b>		<b>25752 61 01 075</b>	<b>22294 18 58 563</b>	<b>19580 94 25 064</b>
<b><u>Assets</u></b>				
Investments	4	25163 46 03 630	21769 62 86 079	19133 06 24 753
Deposits	5	-	20 00 00 000	25 00 00 000
Other Current Assets	6	589 14 97 445	504 55 72 484	422 88 00 311
<b>Total</b>		<b>25752 61 01 075</b>	<b>22294 18 58 563</b>	<b>19580 94 25 064</b>
(a) Net assets as per Balance Sheets		25748 86 29 206	22291 15 05 293	19570 74 68 046
(b) Number of units outstanding		1026 43 10 690	935 27 25 137	845 88 65 850
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		29 46 82 423	10 50 76 169	19 16 48 945
Interest		785 60 82 008	694 52 78 977	609 84 07 293
Profit on sale/redemption of investments		44 91 61 707	23 92 57 817	28 07 09 799
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		555 58 87 256	274 20 05 170	1132 16 37 147
Other income		-	-	-
- Miscellaneous Income		353	-	69
<b>Total Income (A)</b>		<b>1415 58 13 747</b>	<b>1003 16 18 133</b>	<b>1789 24 03 253</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		190 22 36 066	382 13 28 871	50 33 12 940
Loss on sale/redemption of investments		3 78 15 287	35 80 654	5 34 700
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax / GST)2		1 44 23 158	1 22 85 167	1 03 72 406
NPS Trust fees		1 21 30 365	1 04 73 290	88 42 632
Custodian fees (including service Tax / GST)		39 83 244	20 04 935	51 61 798
Depository and settlement charges (including service Tax / GST)		8 23 580	5 95 771	5 39 124
CRA Fees		19 529	22 181	12 371
Less: Amount recoverable on sale of units on account of CRA Charges		( 19 529)	( 22 181)	( 12 371)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>197 14 11 700</b>	<b>385 02 68 688</b>	<b>52 87 63 600</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>1218 44 02 047</b>	<b>618 13 49 445</b>	<b>1736 36 39 653</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(365 36 51 190)	107 93 23 701	(1081 83 24 207)
Less: Amount transferred (to) / from General Reserve		(853 07 50 857)	(726 06 73 146)	(654 53 15 446)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 1	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
Initial Capital*	296 11 57 465	296 11 57 465	296 11 57 465
<b>Unit Capital</b>			
Outstanding at the beginning of the year	9352 72 51 372	8458 86 58 500	7613 88 38 794
Add :Units issued during the year	934 36 15 022	913 35 57 814	864 78 36 140
Less: Units redeemed during the year	(22 77 59 486)	(19 49 64 942)	(19 80 16 434)
<b>Outstanding at the end of the year</b>	<b>10264 31 06 907</b>	<b>9352 72 51 372</b>	<b>8458 86 58 500</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	935 27 25 137	845 88 65 850	761 38 83 879
Add :Units issued during the year	93 43 61 502	91 33 55 781	86 47 83 614
Less: Units redeemed during the year	(2 27 75 949)	(1 94 96 494)	(1 98 01 643)
<b>Outstanding units at the end of the year</b>	<b>1026 43 10 690</b>	<b>935 27 25 137</b>	<b>845 88 65 850</b>

\* Represents capital on the date of commencement of scheme

Schedule 2	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	6592 04 85 381	5383 63 90 451	4363 54 39 891
Add: Premium on Units issued	1360 99 85 050	1234 77 70 385	1043 82 30 493
Less: Premium on Units redeemed	(33 31 18 720)	(26 36 75 455)	(23 72 79 933)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>7919 73 51 711</b>	<b>6592 04 85 381</b>	<b>5383 63 90 451</b>
<b>General Reserve</b>			
Opening Balance	4780 37 45 471	4054 30 72 325	3399 77 56 879
Add: Transfer from Revenue Account	853 07 50 857	726 06 73 146	654 53 15 446
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>5633 44 96 328</b>	<b>4780 37 45 471</b>	<b>4054 30 72 325</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	1566 00 23 069	1673 93 46 770	592 10 22 563
Add/(Less): Transfer from/(to) Revenue Account	365 36 51 190	(107 93 23 701)	1081 83 24 207
Closing Balance	<b>1931 36 74 259</b>	<b>1566 00 23 069</b>	<b>1673 93 46 770</b>
<b>Total</b>	<b>15484 55 22 298</b>	<b>12938 42 53 921</b>	<b>11111 88 09 546</b>

Schedule 3	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	2 62 39 259	1 95 35 766	2 37 66 639
Book Overdraft	-	-	-
Redemption Payable	1 09 44 460	1 06 19 331	88 08 848
TDS Payable	2 88 150	1 98 173	2 08 865
Contracts for purchase of investments	-	-	6 91 72 666
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>3 74 71 869</b>	<b>3 03 53 270</b>	<b>10 19 57 018</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	3665 38 58 816	3053 16 47 718	2461 58 76 514
Debentures and Bonds Listed/Awaiting Listing	9082 62 98 060	7964 81 95 835	6536 71 55 083
Central and State Government Securities (including treasury bills)	12284 81 34 189	10606 27 19 633	9919 91 02 371
Commercial Paper	-	-	-
Others - Mutual Fund Units	130 63 12 565	145 37 22 893	214 84 90 785
<b>Total</b>	<b>25163 46 03 630</b>	<b>21769 62 86 079</b>	<b>19133 06 24 753</b>

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	20 00 00 000	25 00 00 000
<b>Total</b>	<b>-</b>	<b>20 00 00 000</b>	<b>25 00 00 000</b>

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	₹	₹	₹
<b>Other Current Assets</b>			
Balances with bank in a current account	12 090	2 43 15 222	1
Contracts for sale of investments	-	-	-
Outstanding and accrued income	589 14 85 355	502 12 57 262	422 87 94 347
Brokerage receivable from PFM	-	-	5 963
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
	<b>589 14 97 445</b>	<b>504 55 72 484</b>	<b>422 88 00 311</b>

## **NATIONAL PENSION SYSTEM TRUST**

**NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - Central Govt**

### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

#### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 31<sup>st</sup> March, 2008.
3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### **C. Significant Accounting Policies**

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - a. **Equity:**
    - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
    - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

b. **Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- ix. Partly paid bonds are valued at cost till it is fully paid.
- x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.



**d. Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
5. **Income Recognition:**
  - a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
6. **Computation of NAV:** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 30-09-17
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.
<b>2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).</b>	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 19.85 Crores.
<b>3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.</b>	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.
<b>4. Front-end discount should be reduced from the Cost of investments.</b>	Front-end discount is taken to Income.	Impact was not ascertainable.

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

- F. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.0102%	0.0102%	₹ 1,23,72,973	₹ 1,06,82,755

\* excluding service tax

- G. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 1,21,30,365	₹ 1,04,73,289

- H. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
18,940.15	78.24	15,908.87	65.72	17,368.58	82.64	14,612.40	69.53

- I.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ 4,294.59 Crores (Previous Period ₹ 2,993.03 Crores).

**J. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 25.0858	₹ 25.0813	₹ 23.8338

\* NAV not declared, being a non - business day

\*\* On last business day

**K. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
1,415.58	5.85	197.14	0.81	1,003.16	4.77	385.03	1.83

**L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**M. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 15,421.71	₹ 130.63	₹ 14,337.88	₹ 145.37

**N. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is given in Annexure A.

**O.** The Previous Year figures are regrouped/ reclassified, wherever necessary.

# **ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	1,037,787	651,055,674	0.25	1.78
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	777,717	1,354,899,672	0.53	3.70
		<b>2,005,955,346</b>	<b>0.78</b>	<b>5.48</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
TECH MAHINDRA LTD.	165,800	75,911,530	0.03	0.21
WIPRO LTD.	348,578	97,688,985	0.04	0.27
HCL TECHNOLOGIES LIMITED	286,741	250,841,027	0.10	0.68
TATA CONSULTANCY SERVICES LTD.	367,017	894,035,061	0.35	2.44
INFOSYS LTD.	1,390,744	1,251,530,526	0.49	3.41
		<b>2,570,007,128</b>	<b>1.01</b>	<b>7.01</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ALLAHABAD BANK	71,031	4,663,185	0.00	0.01
ANDHRA BANK	34,370	1,923,002	0.00	0.01
UCO BANK	73,650	2,202,135	0.00	0.01
ORIENTAL BANK OF COMMERCE	73,650	8,775,398	0.00	0.02
UNION BANK OF INDIA	239,208	30,295,693	0.01	0.08
PUNJAB NATIONAL BANK	749,890	96,773,305	0.04	0.26
IDFC BANK LIMITED	2,386,722	134,611,121	0.05	0.37
FEDERAL BANK LTD.	2,608,050	293,796,833	0.11	0.80
BANK OF BARODA	2,843,135	391,215,376	0.15	1.07
YES BANK	1,160,225	406,078,750	0.16	1.11
INDUSIND BANK LTD.	419,005	704,850,211	0.27	1.92
KOTAK MAHINDRA BANK LTD.	770,906	772,640,539	0.30	2.11
STATE BANK OF INDIA	3,766,413	956,103,940	0.37	2.61
AXIS BANK LTD.	2,018,745	1,027,844,017	0.40	2.80
HDFC BANK LTD.	1,045,478	1,887,819,625	0.73	5.15
ICICI BANK LTD.	7,037,982	1,946,705,821	0.76	5.31
		<b>8,666,298,948</b>	<b>3.35</b>	<b>23.64</b>

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	70,430,000	7,348,100,427	2.89	8.09
		<b>7,348,100,427</b>	<b>2.89</b>	<b>8.09</b>
<b>OTHER FINANCIAL SERVICE ACTIVITIES, EXCEPT INSURANCE AND PENSION FUNDING ACTIVITIES, N.E.C.</b>				
HDB FINANCIAL SERVICES LTD.	21,890,000	2,269,615,681	0.89	2.49
INDIA INFRASTRUCTURE FINANCE CO. LTD.	1,000,000	114,827,500	0.04	0.13
INFRASTRUCTURE LEASING AND FINANCIAL SERVICES LTD.	10,000,000	1,053,260,700	0.40	1.17
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED	1,500,000	162,919,200	0.06	0.18
SHRIRAM TRANSPORT FINANCE CO. LTD.	11,180,000	1,211,233,491	0.47	1.33
		<b>4,811,856,572</b>	<b>1.86</b>	<b>5.30</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING AND URBAN DEVELOPMENT CORPORATION	1,000,000	100,038,200	0.04	0.11
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	33,290,000	3,439,660,761	1.35	3.82
LIC HOUSING FINANCE LTD.	54,410,000	5,654,558,654	2.19	6.21
PNB HOUSING FINANCE LIMITED	10,220,000	1,041,022,402	0.41	1.15
		<b>10,235,280,017</b>	<b>3.99</b>	<b>11.29</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	53,750,000	5,614,367,070	2.18	6.19
HDFC BANK LTD.	24,420,000	2,511,437,254	0.97	2.77
ICICI BANK LTD.	59,450,000	6,152,785,363	2.39	6.76
IDBI BANK LTD.	6,500,000	671,782,800	0.26	0.74
IDFC BANK LIMITED	13,770,000	1,452,889,935	0.56	1.62
INDIAN OVERSEAS BANK	1,000,000	102,392,600	0.04	0.11
ING VYSYA BANK LTD.	800,000	89,246,320	0.03	0.10
KOTAK MAHINDRA BANK LTD.	4,490,000	474,006,157	0.18	0.52
PUNJAB NATIONAL BANK	1,000,000	102,269,700	0.04	0.11
YES BANK	6,500,000	679,182,700	0.26	0.75
		<b>17,850,359,899</b>	<b>6.91</b>	<b>19.67</b>
<b>OTHER CREDIT GRANTING</b>				
CAN FIN HOMES LTD.	400,000	41,129,680	0.02	0.05
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	1,500,000	148,858,650	0.06	0.16
POWER FINANCE CORPORATION LTD.	84,130,000	8,686,496,802	3.40	9.55
RURAL ELECTRIFICATION CORPORATION LIMITED	68,680,000	7,171,679,148	2.79	7.88
		<b>16,048,164,280</b>	<b>6.27</b>	<b>17.64</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b><u>Liabilities</u></b>				
Unit Capital	1	14991 03 70 208	13178 08 63 394	11723 17 67 909
Reserves and Surplus	2	18519 27 06 749	14846 17 16 400	12505 99 11 239
Current Liabilities and Provisions	3	5 46 28 822	5 15 06 274	26 41 29 518
<b>Total</b>		<b>33515 77 05 779</b>	<b>28029 40 86 068</b>	<b>24255 58 08 666</b>
<b><u>Assets</u></b>				
Investments	4	32758 59 41 540	27386 31 80 374	23699 29 31 666
Deposits	5	-	40 00 00 000	40 00 00 000
Other Current Assets	6	757 17 64 239	603 09 05 694	516 28 77 000
<b>Total</b>		<b>33515 77 05 779</b>	<b>28029 40 86 068</b>	<b>24255 58 08 666</b>
(a) Net assets as per Balance Sheets		33510 30 76 957	28024 25 79 794	24229 16 79 148
(b) Number of units outstanding		1499 10 37 020	1317 80 86 339	1172 31 76 791
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		35 97 89 398	11 45 30 532	21 55 30 105
Interest		1004 42 42 200	858 23 10 693	740 13 25 355
Profit on sale/redemption of investments		42 17 47 852	23 65 15 626	23 73 23 017
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		688 75 14 560	325 36 03 922	1406 80 11 260
Other income				
- Miscellaneous Income		632	320	148
<b>Total Income (A)</b>		<b>1771 32 94 642</b>	<b>1218 69 61 093</b>	<b>2192 21 89 885</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		243 82 56 608	477 91 44 255	62 48 27 420
Loss on sale/redemption of investments		4 97 12 968	9 30 760	14 280
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		1 85 03 749	1 52 11 117	1 26 19 379
NPS Trust fees		1 55 60 873	1 29 67 705	1 07 58 210
Custodian fees		51 60 422	26 51 176	62 74 983
Depository and settlement charges		11 20 364	7 38 597	7 08 362
CRA Fees		1 08 424	39 587	11 456
Less: Amount recoverable on sale of units on account of CRA Charges		( 1 08 424)	( 39 587)	( 11 456)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>252 83 14 984</b>	<b>481 16 43 610</b>	<b>65 52 02 634</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>1518 49 79 658</b>	<b>737 53 17 483</b>	<b>2126 69 87 251</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(444 92 57 952)	152 55 40 333	(1344 31 83 840)
Less: Amount transferred (to) / from General Reserve		(1073 57 21 706)	(890 08 57 816)	(782 38 03 411)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 1</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
Initial Capital*	1 67 676	1 67 676	1 67 676
<b>Unit Capital</b>			
Outstanding at the beginning of the year	13178 08 63 394	11723 17 67 909	10148 93 77 073
Add :Units issued during the year	1855 37 03 113	1484 66 63 930	1599 33 99 856
Less: Units redeemed during the year	(42 41 96 299)	(29 75 68 445)	(25 10 09 020)
<b>Outstanding at the end of the year</b>	<b>14991 03 70 208</b>	<b>13178 08 63 394</b>	<b>11723 17 67 909</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	1317 80 86 339	1172 31 76 791	1014 89 37 707
Add :Units issued during the year	185 53 70 311	148 46 66 393	159 93 39 986
Less: Units redeemed during the year	(4 24 19 630)	(2 97 56 845)	(2 51 00 902)
<b>Outstanding units at the end of the year</b>	<b>1499 10 37 020</b>	<b>1317 80 86 339</b>	<b>1172 31 76 791</b>

\* Represents capital on the date of commencement of scheme

<b>Schedule 2</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	8822 02 38 037	7219 37 50 359	5697 44 57 948
Add: Premium on Units issued	2205 39 72 763	1635 40 89 809	1546 26 09 438
Less: Premium on Units redeemed	(50 79 62 072)	(32 76 02 131)	(24 33 17 027)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>10976 62 48 728</b>	<b>8822 02 38 037</b>	<b>7219 37 50 359</b>
<b>General Reserve</b>			
Opening Balance	4268 66 79 053	3378 58 21 237	2596 20 17 826
Add: Transfer from Revenue Account	1073 57 21 706	890 08 57 816	782 38 03 411
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>5342 24 00 759</b>	<b>4268 66 79 053</b>	<b>3378 58 21 237</b>
<b>Unrealised Appreciation Account</b>			
Opening Balance	1755 47 99 310	1908 03 39 643	563 71 55 803
Add/(Less): Transfer from/(to) Revenue Account	444 92 57 952	(152 55 40 333)	1344 31 83 840
Closing Balance	<b>2200 40 57 262</b>	<b>1755 47 99 310</b>	<b>1908 03 39 643</b>
<b>Total</b>	<b>18519 27 06 749</b>	<b>14846 17 16 400</b>	<b>12505 99 11 239</b>

<b>Schedule 3</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	3 34 02 211	2 41 31 135	2 84 36 694
Bank Overdraft	-	-	-
Redemption Payable	2 08 53 532	2 71 28 211	1 43 73 144
TDS Payable	3 73 079	2 46 928	2 59 423
Contracts for purchase of investments	-	-	22 10 60 257
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>5 46 28 822</b>	<b>5 15 06 274</b>	<b>26 41 29 518</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	4733 96 32 774	3675 96 94 257	2895 87 69 946
Debentures and Bonds Listed/Awaiting Listing	11766 33 50 309	10024 36 81 114	8006 43 68 154
Central and State Government Securities (including treasury bills)	16075 22 69 558	13402 30 25 731	12542 57 99 695
Commercial Paper	-	-	-
Others - Mutual Fund Units	183 06 88 899	283 67 79 272	254 39 93 871
<b>Total</b>	<b>32758 59 41 540</b>	<b>27386 31 80 374</b>	<b>23699 29 31 666</b>
<b>Schedule 5</b>			
	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Deposits</b>			
Deposits with Scheduled Banks	-	40 00 00 000	40 00 00 000
<b>Total</b>	<b>-</b>	<b>40 00 00 000</b>	<b>40 00 00 000</b>
<b>Schedule 6</b>			
	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Other Current Assets</b>			
Balances with bank in a current account	42 057	44 97 966	1
Contracts for sale of investments	-	-	-
Outstanding and accrued income	757 17 22 182	602 64 07 728	516 28 71 036
Brokerage receivable from PFM	-	-	5 963
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>757 17 64 239</b>	<b>603 09 05 694</b>	<b>516 28 77 000</b>

## **NATIONAL PENSION SYSTEM TRUST**

**NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - State Govt.**

### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

#### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA), provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment/redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation services provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 25<sup>th</sup> June, 2009.
3. **Investment pattern to be followed as per the PFRDA Regulation:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## **C. Significant Accounting Policies**

- 1. Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.
- 3. Valuation of investments:** Investments are valued using the price determined in the following manner:
  - a. Equity:**
    - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
    - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

**iii. Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- ix. Partly paid bonds are valued at cost till it is fully paid.
- x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
  - d. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.
- 4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
- 5. **Income Recognition:**
  - a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
- 6. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
- 7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 30-09-17
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.
<b>2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).</b>	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 27.01 Crores.
<b>3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.</b>	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.
<b>4. Front-end discount should be reduced from the Cost of investments.</b>	Front-end discount is taken to Income.	Impact was not ascertainable.

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



- F. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.0102%	0.0102%	₹ 1,58,72,090	₹ 1,32,27,059

\* excluding service tax

- G. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 1,55,60,873	₹ 1,29,67,705

- H. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
22,605.30	72.78	17,640.64	56.80	19,441.90	74.71	15,578.21	59.86

- I.** The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ 5,345.58 Crores. (Previous Period ₹ 3,667.15 Crores)

- J. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 22.3535	₹ 22.3495	₹ 21.2658

\* NAV not declared, being a non - business day

\*\* On last business day

**K. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
1,771.33	5.70	252.83	0.81	1,218.70	4.68	481.16	1.85

**L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**M. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 17,011.10	₹ 183.07	₹ 15,426.90	₹ 283.68

**N. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is given in Annexure A.

**O.** The Previous Year figures are regrouped/ reclassified, wherever necessary.

# **ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
AUROBINDO PHARMA LTD.	232,184	160,590,064	0.05	0.34
DR. REDDYS LABORATORIES LTD.	142,537	331,933,039	0.10	0.70
DIVIS LABORATORIES LTD.	420,814	360,111,581	0.11	0.76
CIPLA LTD.	676,091	396,256,935	0.12	0.84
LUPIN LTD.	408,312	414,028,368	0.12	0.87
SUN PHARMACEUTICAL INDUSTRIES LTD.	1,457,653	733,563,872	0.22	1.55
		<b>2,396,483,858</b>	<b>0.72</b>	<b>5.06</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	1,423,592	893,090,441	0.27	1.89
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	1,014,104	1,766,721,284	0.53	3.73
		<b>2,659,811,725</b>	<b>0.80</b>	<b>5.62</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
WIPRO LTD.	386,880	108,423,120	0.03	0.23
TECH MAHINDRA LTD.	489,612	224,168,854	0.07	0.47
HCL TECHNOLOGIES LIMITED	275,823	241,289,960	0.07	0.51
TATA CONSULTANCY SERVICES LTD.	429,999	1,047,456,064	0.31	2.21
INFOSYS LTD.	1,820,238	1,638,032,176	0.49	3.46
		<b>3,259,370,175</b>	<b>0.97</b>	<b>6.88</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
UCO BANK	45,000	1,345,500	0.00	0.00
ORIENTAL BANK OF COMMERCE	18,000	2,144,700	0.00	0.00
ANDHRA BANK	11,000	615,450	0.00	0.00
ALLAHABAD BANK	48,000	3,151,200	0.00	0.01
UNION BANK OF INDIA	284,313	36,008,241	0.01	0.08
PUNJAB NATIONAL BANK	648,806	83,728,414	0.02	0.18
IDFC BANK LIMITED	3,102,982	175,008,185	0.05	0.37
FEDERAL BANK LTD.	2,766,800	311,680,020	0.09	0.66
BANK OF BARODA	3,946,911	543,094,954	0.16	1.15
YES BANK	2,007,725	702,703,750	0.21	1.48
INDUSIND BANK LTD.	595,633	1,001,973,833	0.30	2.12
KOTAK MAHINDRA BANK LTD.	1,114,612	1,117,119,877	0.33	2.36
STATE BANK OF INDIA	5,154,564	1,308,486,071	0.39	2.76
AXIS BANK LTD.	2,960,907	1,507,545,799	0.45	3.18
HDFC BANK LTD.	1,233,439	2,227,220,802	0.66	4.70
ICICI BANK LTD.	9,277,126	2,566,053,052	0.77	5.42
		<b>11,587,879,848</b>	<b>3.44</b>	<b>24.47</b>

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS</b>				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	73,270,000	7,718,489,079	2.31	6.55
		<b>7,718,489,079</b>	<b>2.31</b>	<b>6.55</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	81,350,000	8,517,147,203	2.57	7.24
		<b>8,517,147,203</b>	<b>2.57</b>	<b>7.24</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
EXPORT IMPORT BANK OF INDIA	44,310,000	4,655,582,659	1.39	3.97
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	17,410,000	1,749,052,791	0.52	1.50
		<b>6,404,635,450</b>	<b>1.91</b>	<b>5.47</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING AND URBAN DEVELOPMENT CORPORATION	1,500,000	150,057,300	0.04	0.13
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	49,820,000	5,177,036,038	1.55	4.44
LIC HOUSING FINANCE LTD.	81,710,000	8,505,018,415	2.56	7.23
PNB HOUSING FINANCE LIMITED	11,220,000	1,140,428,798	0.36	0.97
		<b>14,972,540,551</b>	<b>4.51</b>	<b>12.77</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	73,680,000	7,675,236,568	2.30	6.54
HDFC BANK LTD.	21,750,000	2,238,341,675	0.67	1.91
ICICI BANK LTD.	81,190,000	8,462,634,895	2.51	7.21
IDFC BANK LIMITED	19,960,000	2,105,846,648	0.63	1.80
ING VYSYA BANK LTD.	700,000	78,090,530	0.02	0.07
KOTAK MAHINDRA BANK LTD.	9,410,000	991,433,363	0.30	0.84
PUNJAB NATIONAL BANK	900,000	92,042,730	0.03	0.08
YES BANK	7,700,000	794,520,480	0.25	0.69
		<b>22,438,146,889</b>	<b>6.71</b>	<b>19.14</b>
<b>OTHER CREDIT GRANTING</b>				
CAN FIN HOMES LTD.	1,500,000	154,236,300	0.05	0.13
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	950,000	94,277,145	0.03	0.08
POWER FINANCE CORPORATION LTD.	109,240,000	11,243,403,813	3.35	9.57
RURAL ELECTRIFICATION CORPORATION LIMITED	79,930,000	8,345,721,651	2.51	7.10
		<b>19,837,638,909</b>	<b>5.94</b>	<b>16.88</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Liabilities</b>				
Unit Capital	1	390 20 30 646	377 48 59 300	375 24 23 936
Reserves and Surplus	2	422 25 22 548	368 63 74 941	345 55 57 873
Current Liabilities and Provisions	3	33 02 060	10 05 98 959	47 69 839
<b>Total</b>		<b>812 78 55 254</b>	<b>756 18 33 200</b>	<b>721 27 51 648</b>
<b>Assets</b>				
Investments	4	794 90 21 280	741 21 33 105	706 50 19 451
Deposits	5	-	-	-
Other Current Assets	6	17 88 33 974	14 97 00 095	14 77 32 197
<b>Total</b>		<b>812 78 55 254</b>	<b>756 18 33 200</b>	<b>721 27 51 648</b>
(a) Net assets as per Balance Sheets		812 45 53 195	746 12 34 241	720 79 81 809
(b) Number of units outstanding		39 02 03 064	37 74 85 930	37 52 42 394
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		1 02 29 695	42 84 546	82 40 112
Interest		25 53 91 772	23 96 37 211	22 24 01 494
Profit on sale/redemption of investments		2 61 12 535	92 24 960	52 14 355
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		18 89 57 857	10 10 73 418	43 56 46 674
Other income				
- Miscellaneous Income		944	112	-
<b>Total Income (A)</b>		<b>48 06 92 803</b>	<b>35 42 20 247</b>	<b>67 15 02 635</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		7 02 11 144	14 27 62 978	2 10 80 740
Loss on sale/redemption of investments		18 50 844	1 98 020	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		4 70 216	4 30 409	3 85 798
NPS Trust fees		3 95 550	3 66 931	3 28 898
Custodian fees		1 29 066	50 108	2 09 530
Depository and settlement charges		23 930	33 496	5 089
CRA Fees		1 24 24 737	2 07 17 693	2 11 15 885
Less: Amount recoverable on sale of units on account of CRA Charges		(1 24 24 737)	(2 07 17 693)	(2 11 15 885)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>7 30 80 750</b>	<b>14 38 41 942</b>	<b>2 20 10 055</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>40 76 12 053</b>	<b>21 03 78 305</b>	<b>64 94 92 580</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(11 87 46 713)	4 16 89 560	(41 45 65 934)
Less: Amount transferred (to) / from General Reserve		(28 88 65 340)	(25 20 67 865)	(23 49 26 646)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 1	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
Initial Capital*	3 200	3 200	3 200
<b>Unit Capital</b>			
Outstanding at the beginning of the year	377 48 59 300	375 24 23 936	342 08 48 556
Add :Units issued during the year	17 90 61 465	12 14 79 087	38 91 05 296
Less: Units redeemed during the year	(5 18 90 119)	(9 90 43 723)	(5 75 29 916)
<b>Outstanding at the end of the year</b>	<b>390 20 30 646</b>	<b>377 48 59 300</b>	<b>375 24 23 936</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	37 74 85 930	37 52 42 394	34 20 84 856
Add :Units issued during the year	1 79 06 146	1 21 47 909	3 89 10 530
Less: Units redeemed during the year	(51 89 012)	(99 04 373)	(57 52 992)
<b>Outstanding units at the end of the year</b>	<b>39 02 03 064</b>	<b>37 74 85 930</b>	<b>37 52 42 394</b>

\* Represents capital on the date of commencement of scheme

Schedule 2	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	167 52 20 255	165 47 81 492	137 97 67 233
Add: Premium on Units issued	18 21 21 617	11 59 71 235	32 17 22 127
Less: Premium on Units redeemed	(5 35 86 063)	(9 55 32 472)	(4 67 07 868)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>180 37 55 809</b>	<b>167 52 20 255</b>	<b>165 47 81 492</b>
<b>General Reserve</b>			
Opening Balance	140 38 66 346	115 17 98 481	91 68 71 835
Add: Transfer from Revenue Account	28 88 65 340	25 20 67 865	23 49 26 646
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>169 27 31 686</b>	<b>140 38 66 346</b>	<b>115 17 98 481</b>
<b>Unrealised Appreciation Account</b>			
Opening Balance	60 72 88 340	64 89 77 900	23 44 11 966
Add/(Less): Transfer from/(to) Revenue Account	11 87 46 713	(4 16 89 560)	41 45 65 934
Closing Balance	<b>72 60 35 053</b>	<b>60 72 88 340</b>	<b>64 89 77 900</b>
<b>Total</b>	<b>422 25 22 548</b>	<b>368 63 74 941</b>	<b>345 55 57 873</b>

Schedule 3	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	8 78 697	6 88 668	8 84 697
Book Overdraft	-	-	-
Redemption Payable	24 14 290	9 99 03 584	18 96 772
TDS Payable	9 073	6 707	7 776
Contract for Purchase of Investments	-	-	19 80 594
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>33 02 060</b>	<b>10 05 98 959</b>	<b>47 69 839</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	117 69 89 105	109 04 33 760	98 40 74 690
Debentures and Bonds Listed/Awaiting Listing	282 00 25 469	258 42 04 835	227 66 52 297
Central and State Government Securities (including treasury bills)	392 52 90 097	363 88 46 466	376 84 24 236
Commercial Paper	-	-	-
Others - Mutual Fund Units	2 67 16 609	9 86 48 044	3 58 68 228
<b>Total</b>	<b>794 90 21 280</b>	<b>741 21 33 105</b>	<b>706 50 19 451</b>

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
	-	-	-

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Other Current Assets</b>			
Balances with bank in a current account	3 592	3 23 319	-
Contracts for sale of investments	-	-	-
Outstanding and accrued income	17 88 30 382	14 93 76 776	14 77 31 603
Brokerage receivable from PFM	-	-	594
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>17 88 33 974</b>	<b>14 97 00 095</b>	<b>14 77 32 197</b>



## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust – A/C UTI Retirement Solutions Limited – NPS Lite Scheme – Govt. Pattern**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment/redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 4<sup>th</sup> October, 2010.
3. **Investment pattern to be followed as per PFRDA Regulations:**

<b>Sr. No.</b>	<b>Investment Pattern</b>	<b>% of amount to be invested</b>
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### **C. Significant Accounting Policies**

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - a. **Equity:**
    - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE
    - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

**iii. Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- ix. Partly paid bonds are valued at cost till it is fully paid.
- x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**c. Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

- d. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.
- 4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
- 5. **Income Recognition:**
  - a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
- 6. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
- 7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 30-09-17
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.
<b>2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).</b>	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is Lower by ₹ 0.73 Crores.
<b>3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.</b>	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.

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

- F. **Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.0102%	0.0102%	₹ 4,03,461	₹ 3,74,269

\* excluding service tax

- G. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 3,95,550	₹ 3,66,931

- H. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
683.96	86.67	643.70	81.57	453.75	61.65	415.30	56.43

- I.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ 138.37 Crores. (Previous Period ₹ 102.82 Crores)

- J. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 20.8213	₹ 20.8176	₹ 19.7655

\* NAV not declared, being a non - business day

\*\* On last business day

- K. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
48.07	6.09	7.31	0.93	35.42	4.81	14.38	1.95

**L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**M. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 616.07	₹ 2.67	₹ 413.03	₹ 9.86

**N. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is given in Annexure A.

**O.** The Previous Year figures are regrouped/ reclassified, wherever necessary.



# ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
DR. REDDYS LABORATORIES LTD.	3,021	7,035,154	0.09	0.60
LUPIN LTD.	7,209	7,309,926	0.09	0.62
DIVIS LABORATORIES LTD.	9,106	7,792,460	0.10	0.66
CIPLA LTD.	22,100	12,952,810	0.16	1.10
SUN PHARMACEUTICAL INDUSTRIES LTD.	49,885	25,104,626	0.31	2.13
		<b>60,194,976</b>	<b>0.75</b>	<b>5.11</b>
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	265,309	68,529,315	0.84	5.82
		<b>68,529,315</b>	<b>0.84</b>	<b>5.82</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	28,800	18,067,680	0.22	1.54
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	29,586	51,543,250	0.63	4.38
		<b>69,610,930</b>	<b>0.85</b>	<b>5.92</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
TECH MAHINDRA LTD.	14,640	6,702,924	0.08	0.57
HCL TECHNOLOGIES LIMITED	9,887	8,649,148	0.11	0.73
WIPRO LTD.	31,744	8,896,256	0.11	0.76
TATA CONSULTANCY SERVICES LTD.	14,087	34,315,228	0.42	2.92
INFOSYS LTD.	51,695	46,520,331	0.57	3.95
		<b>105,083,886</b>	<b>1.29</b>	<b>8.93</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ALLAHABAD BANK	5,000	328,250	0.00	0.03
UNION BANK OF INDIA	12,500	1,583,125	0.02	0.13
PUNJAB NATIONAL BANK	20,125	2,597,131	0.03	0.22
YES BANK	11,750	4,112,500	0.05	0.35
IDFC BANK LIMITED	81,204	4,579,906	0.06	0.39
FEDERAL BANK LTD.	91,000	10,251,150	0.13	0.87
BANK OF BARODA	78,155	10,754,128	0.13	0.91
KOTAK MAHINDRA BANK LTD.	24,528	24,583,188	0.30	2.09
INDUSIND BANK LTD.	15,070	25,350,754	0.31	2.15
AXIS BANK LTD.	60,005	30,551,546	0.38	2.60
STATE BANK OF INDIA	123,180	31,269,243	0.38	2.66
ICICI BANK LTD.	231,452	64,019,623	0.79	5.44
HDFC BANK LTD.	37,154	67,088,978	0.83	5.70
		<b>277,069,522</b>	<b>3.41</b>	<b>23.54</b>

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
EXPORT IMPORT BANK OF INDIA	1,970,000	210,590,888	2.59	7.55
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	80,000	8,254,288	0.10	0.30
		<b>218,845,176</b>	<b>2.69</b>	<b>7.85</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	480,000	50,550,446	0.63	1.81
HDFC BANK LTD.	430,000	43,834,491	0.54	1.57
ICICI BANK LTD.	1,320,000	139,430,030	1.72	5.01
IDFC BANK LIMITED	760,000	80,082,461	0.99	2.88
PUNJAB NATIONAL BANK	80,000	8,181,576	0.10	0.29
		<b>322,079,004</b>	<b>3.98</b>	<b>11.56</b>
<b>ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS</b>				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	1,670,000	179,625,881	2.22	6.44
		<b>179,625,881</b>	<b>2.22</b>	<b>6.44</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	1,170,000	122,371,608	1.50	4.39
LIC HOUSING FINANCE LTD.	1,530,000	159,310,264	1.95	5.72
PNB HOUSING FINANCE LIMITED	320,000	32,421,343	0.40	1.17
		<b>314,103,215</b>	<b>3.85</b>	<b>11.28</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	2,480,000	257,933,017	3.18	9.26
		<b>257,933,017</b>	<b>3.18</b>	<b>9.26</b>
<b>OTHER CREDIT GRANTING</b>				
POWER FINANCE CORPORATION LTD.	2,650,000	273,142,689	3.34	9.79
RURAL ELECTRIFICATION CORPORATION LIMITED	2,510,000	262,633,270	3.23	9.42
		<b>535,775,959</b>	<b>6.57</b>	<b>19.21</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Liabilities</b>				
Unit Capital	1	-	-	-
Reserves and Surplus	2	-	-	-
Current Liabilities and Provisions	3	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Assets</b>				
Investments	4	-	-	-
Deposits	5	-	-	-
Other Current Assets	6	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>
(a) Net assets as per Balance Sheets		-	-	-
(b) Number of units outstanding		-	-	-
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		-	-	-
Profit on sale/redemption of investments		-	-	-
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		-	-	-
Other income		-	-	-
- Miscellaneous Income		-	-	-
<b>Total Income (A)</b>		-	-	-
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		-	-	-
Loss on sale/redemption of investments		-	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		-	-	-
NPS Trust fees		-	-	-
Custodian fees		-	-	-
Depository and settlement charges		-	-	-
Trustees Bank fees		-	-	-
CRA Fees		-	-	-
Less: Amount recovered / recoverable on sale of units on account of CRA Charges		-	-	-
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		-	-	-
<b>Surplus/(Deficit) for the year (A-B)</b>		-	-	-
Less: Amount transferred to / (from) Unrealised Appreciation Reserve		-	-	-
Less: Amount transferred to / (from) General Reserve		-	-	-
<b>Amount carried forward to Balance Sheet</b>		-	-	-
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Schedule 1	No.	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
Initial Capital*		64 25 58 054	64 25 58 054	64 25 58 054
<b>Unit Capital</b>				
Outstanding at the beginning of the year		-	-	-
Add :Units issued during the year		-	-	-
Less: Units redeemed during the year		-	-	-
<b>Outstanding at the end of the year</b>		-	-	-
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>				
Outstanding units at the beginning of the year		-	-	-
Add :Units issued during the year		-	-	-
Less: Units redeemed during the year		-	-	-
<b>Outstanding units at the end of the year</b>		-	-	-

\* Represents capital on the date of commencement of scheme

Schedule 2	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	-	-	-
Add: Premium on Units issued	-	-	-
Less: Premium on Units redeemed	-	-	-
Add: Transfer from General Reserve	-	-	-
Closing Balance	-	-	-
<b>General Reserve</b>			
Opening Balance	-	-	-
Add: Transfer from Revenue Account	-	-	-
Less: Transfer to Units Premium Reserve	-	-	-
Closing Balance	-	-	-
<b>Unrealised Appreciation Account</b>			
Opening Balance	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	-	-	-
Closing Balance	-	-	-
<b>Total</b>	-	-	-

Schedule 3	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	-	-	-
Bank Overdraft	-	-	-
Redemption Payable	-	-	-
TDS Payable	-	-	-
Contracts for purchase of investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	-	-	-

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
Others - Mutual Fund Units	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Other Current Assets</b>			
Balances with bank in a current account	-	-	-
Contracts for sale of investments	-	-	-
Outstanding and accrued income	-	-	-
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **NATIONAL PENSION SYSTEM TRUST**

### **NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - Corporate CG**

#### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

##### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 5<sup>th</sup> November, 2012.

#### **3. Investment pattern to be followed as per the PFRDA Regulations:**

<b>Sr. No.</b>	<b>Investment Pattern</b>	<b>% of amount to be invested</b>
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.



## C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
  - a. Investments are accounted on trade date.
  - b. Cost is determined on the basis of weighted average cost.
  - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
  - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
  - a. **Equity:**
    - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
    - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

**iii. Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- ix. Partly paid bonds are valued at cost till it is fully paid.
- x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

- c. **Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.
  - d. **Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.
4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.
5. **Income Recognition:**
- a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
6. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ NIL	₹ NIL

\* excluding service tax

- E. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ NIL	₹ NIL

- F. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

- G.** The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ NIL. (Previous Period ₹ NIL)

**H. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 10.0000	₹ 10.0000	₹ 10.0000

\* NAV not declared, being a non - business day

\*\* On last business day

- I. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

- J. **Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

- N. **Investment in associates and group companies:** ₹ Nil (Previous Period: ₹ Nil)

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**BALANCE SHEET AS AT SEPTEMBER 30, 2017**

Particulars	Schedules	As at Sept 30, 2017 ₹	As at March 31, 2017 ₹	As at Sept 30, 2016 ₹
<b>Liabilities</b>				
Unit Capital	1	720 69 92 065	509 41 37 011	323 05 33 786
Reserves and Surplus	2	203 73 05 171	112 93 39 421	60 59 94 422
Current Liabilities and Provisions	3	32 73 239	11 48 708	23 66 754
<b>Total</b>		<b>924 75 70 475</b>	<b>622 46 25 140</b>	<b>383 88 94 962</b>
<b>Assets</b>				
Investments	4	904 65 91 879	609 61 74 303	376 38 70 965
Deposits	5	-	-	-
Other Current Assets	6	20 09 78 596	12 84 50 837	7 50 23 997
<b>Total</b>		<b>924 75 70 475</b>	<b>622 46 25 140</b>	<b>383 88 94 962</b>
(a) Net assets as per Balance Sheets		924 42 97 236	622 34 76 432	383 65 28 208
(b) Number of units outstanding		72 06 99 206	50 94 13 701	32 30 53 378
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

Particulars	Schedules	Year ended Sept 30, 2017 ₹	Year ended March 31, 2017 ₹	Year ended Sept 30, 2016 ₹
<b>Income</b>				
Dividend		79 41 492	22 95 401	31 62 738
Interest		24 40 28 092	15 91 33 598	8 84 12 253
Profit on sale/redemption of investments		1 84 41 669	22 35 063	22 11 110
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		16 64 41 425	8 29 53 127	20 21 01 609
Other income				
- Miscellaneous Income		224	208	-
<b>Total Income (A)</b>		<b>43 68 52 902</b>	<b>24 66 17 397</b>	<b>29 58 87 710</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		7 42 78 950	11 17 51 219	1 03 63 337
Loss on sale/redemption of investments		3 40 147	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax)		4 64 309	2 91 885	1 59 206
NPS Trust fees		3 90 183	2 48 836	1 35 726
Custodian fees		1 32 333	59 644	82 414
Depository and settlement charges		39 643	32 431	12 122
CRA Fees		3 59 49 219	3 61 02 942	2 67 51 859
Less: Amount recoverable on sale of units on account of CRA Charges		(3 59 49 219)	(3 61 02 942)	(2 67 51 859)
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>7 56 45 565</b>	<b>11 23 84 015</b>	<b>1 07 52 805</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>36 12 07 337</b>	<b>13 42 33 382</b>	<b>28 51 34 905</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(9 21 62 475)	2 87 98 092	(19 17 38 272)
Less: Amount transferred (to) / from General Reserve		(26 90 44 862)	(16 30 31 474)	(9 33 96 633)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 1</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
Initial Capital*	2 982	2 982	2 982
<b>Unit Capital</b>			
Outstanding at the beginning of the year	509 41 37 011	323 05 33 786	155 99 85 874
Add :Units issued during the year	218 79 43 225	190 20 52 718	169 84 58 999
Less: Units redeemed during the year	(7 50 88 171)	(3 84 49 493)	(2 79 11 087)
<b>Outstanding at the end of the year</b>	<b>720 69 92 065</b>	<b>509 41 37 011</b>	<b>323 05 33 786</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	50 94 13 701	32 30 53 379	15 59 98 587
Add :Units issued during the year	21 87 94 322	19 02 05 272	16 98 45 900
Less: Units redeemed during the year	( 75 08 817)	( 38 44 950)	( 27 91 109)
<b>Outstanding units at the end of the year</b>	<b>72 06 99 206</b>	<b>50 94 13 701</b>	<b>32 30 53 378</b>

\* Represents capital on the date of commencement of scheme

<b>Schedule 2</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	66 30 00 562	27 38 88 945	6 12 37 757
Add: Premium on Units issued	56 60 29 022	39 70 99 788	21 57 66 930
Less: Premium on Units redeemed	(1 92 70 609)	( 79 88 171)	( 31 15 742)
Add: Transfer from General Reserve	-	-	-
<b>Closing Balance</b>	<b>120 97 58 975</b>	<b>66 30 00 562</b>	<b>27 38 88 945</b>
<b>General Reserve</b>			
Opening Balance	29 38 10 683	13 07 79 209	3 73 82 576
Add: Transfer from Revenue Account	26 90 44 862	16 30 31 474	9 33 96 633
Less: Transfer to Unit Premium Reserve	-	-	-
<b>Closing Balance</b>	<b>56 28 55 545</b>	<b>29 38 10 683</b>	<b>13 07 79 209</b>
<b>Unrealised Appreciation Account</b>			
Opening Balance	17 25 28 176	20 13 26 268	95 87 996
Add/(Less): Transfer from/(to) Revenue Account	9 21 62 475	(2 87 98 092)	19 17 38 272
<b>Closing Balance</b>	<b>26 46 90 651</b>	<b>17 25 28 176</b>	<b>20 13 26 268</b>
<b>Total</b>	<b>203 73 05 171</b>	<b>112 93 39 421</b>	<b>60 59 94 422</b>

<b>Schedule 3</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	7 87 522	4 59 738	3 08 613
Bank Overdraft	-	-	-
Redemption Payable	24 75 330	6 83 589	75 048
TDS Payable	10 387	5 381	4 166
Contracts for purchase of investments	-	-	19 78 927
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>32 73 239</b>	<b>11 48 708</b>	<b>23 66 754</b>



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2017**

<b>Schedule 4</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	130 68 43 924	84 14 68 081	49 54 63 988
Debentures and Bonds Listed/Awaiting Listing	308 90 77 246	219 28 23 157	134 34 89 483
Central and State Government Securities (including treasury bills)	450 08 53 903	300 80 84 133	188 72 49 295
Commercial Paper	-	-	-
Others - Mutual Fund Units	14 98 16 806	5 37 98 932	3 76 68 199
<b>Total</b>	<b>904 65 91 879</b>	<b>609 61 74 303</b>	<b>376 38 70 965</b>

<b>Schedule 5</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
	-	-	-

<b>Schedule 6</b>	<b>As at Sept 30, 2017</b>	<b>As at March 31, 2017</b>	<b>As at Sept 30, 2016</b>
	<b>₹</b>	<b>₹</b>	<b>₹</b>
<b>Other Current Assets</b>			
Balances with bank in a current account	1 501	15 88 579	-
Contracts for sale of investments	-	-	-
Outstanding and accrued income	20 09 77 095	12 68 62 258	7 50 23 405
Balances with bank in a current account	-	-	592
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
<b>Total</b>	<b>20 09 78 596</b>	<b>12 84 50 837</b>	<b>7 50 23 997</b>

## **NATIONAL PENSION SYSTEM TRUST**

**NPS Trust - A/C UTI Retirement Solutions Limited Scheme- Atal Pension Yojana**

### **SCHEDULE 7: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2017**

#### **A. Background**

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receives funds on consolidated basis in respect of such allotment/redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
5. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 4<sup>th</sup> June, 2015
3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

#### **C. Significant Accounting Policies**

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes

under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, read with general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

**2. Investments:**

- a. Investments are accounted on trade date.
- b. Cost is determined on the basis of weighted average cost.
- c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date, the cost is allocated on the pro-rata basis of closing market price on ex-date of the demerged company and the opening price on the subsequent trading date.

**3. Valuation of investments:** Investments are valued using the price determined in the following manner:

**a. Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
  - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
  - b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**b. Debentures, corporate bonds, commercial papers and certificate of deposits:**

- i. Traded securities are valued at NSE weighted average traded price on that day.
- ii. Securities not traded on a valuation day with residual maturity over 60 days are valued on a yield to maturity basis, which is arrived at by adding spreads of relevant tenor, rating and industry over the benchmark yield.
- iii. The spread used are average of spreads provided by CRISIL and ICRA.
- iv. Securities not traded on a valuation day with residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over the remaining maturity period of the instrument.
- v. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- vi. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vii. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- viii. Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- ix. Partly paid bonds are valued at cost till it is fully paid.
- x. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**c. Central and State Government Securities:** Securities are valued at the average of prices provided by CRISIL and ICRA.

**d. Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

4. Appreciation/Depreciation, as the case may be, in the value of the securities at the year-end have been computed for the Scheme, whereby the aggregate market value of all investments taken together is compared with

aggregate cost of acquisition. The change in net appreciation/depreciation is recognised in Revenue Account.

5. **Income Recognition:**
    - a. Dividend income is accrued on the "ex-dividend" date.
    - b. Interest on interest – bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
    - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
    - d. Interest on Fixed Deposits is accounted on accrual basis.
  6. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
  7. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.
- D. The valuation policy of the Scheme, as advised by SHCIL, is at variance with PFRDA'S guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 30-09-17
<b>1. Securities traded at a stock exchange:</b> When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.

2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 0.67 Crores.
3. Money Market Instruments like T - Bill, CP and CD should be typically valued at amortised cost, unless traded, which is contrary to the stipulation in accounting policy.	Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.	Impact was not ascertainable.
4. Front-end discount should be reduced from the Cost of investments.	Front-end discount is taken to Income.	Impact was not ascertainable.

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

**F. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets. The basis of management fees and aggregate management fees on average daily net asset is as under:

Management Fees % p.a.*		Management Fees	
Current Period	Previous Period	Current Period	Previous Period
0.0102%	0.0102%	₹ 3,97,986	₹ 2,53,813

\* excluding service tax

**G. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.*		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.01%	0.01%	₹ 3,90,183	₹ 2,48,836

- H. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

**₹ in Crores**

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
1,597.30	204.86	1,309.33	167.93	909.44	181.78	670.19	133.96

- I.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2017 is ₹ 118.83 Crores. (Previous Period ₹ 59.93 Crores)

- J. Net Asset Value:**

Current Period		Previous Period
As on 30 <sup>th</sup> September, 2017*	As on 29 <sup>th</sup> September, 2017**	As on 31 <sup>st</sup> March, 2017
₹ 12.8268	₹ 12.8246	₹ 12.2169

\* NAV not declared, being a non - business day

\*\* On last business day

- K. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
43.69	5.60	7.56	0.97	24.66	4.93	11.24	2.25

- L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil



**M. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 1,305.32	₹ 14.98	₹ 671.29	₹ 5.38

**N. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2017 is given in Annexure A.

**O.** This being the first year of operations, the previous year's figures are not stated.

# ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is >= 5%

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS</b>				
AUROBINDO PHARMA LTD.	5,200	3,596,580	0.04	0.28
DIVIS LABORATORIES LTD.	5,849	5,005,282	0.05	0.38
DR. REDDYS LABORATORIES LTD.	2,724	6,343,515	0.07	0.49
LUPIN LTD.	13,279	13,464,906	0.15	1.03
CIPLA LTD.	31,638	18,543,032	0.20	1.42
SUN PHARMACEUTICAL INDUSTRIES LTD.	41,435	20,852,164	0.23	1.60
		<b>67,805,478</b>	<b>0.74</b>	<b>5.20</b>
<b>MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO</b>				
ITC LIMITED	263,413	68,039,578	0.74	5.21
		<b>68,039,578</b>	<b>0.74</b>	<b>5.21</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	34,700	21,769,045	0.24	1.67
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	34,769	60,572,813	0.66	4.64
		<b>82,341,858</b>	<b>0.90</b>	<b>6.31</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
HCL TECHNOLOGIES LIMITED	76	66,485	0.00	0.01
TECH MAHINDRA LTD.	13,527	6,193,337	0.07	0.47
TATA CONSULTANCY SERVICES LTD.	12,066	29,392,173	0.32	2.25
INFOSYS LTD.	52,837	47,548,016	0.51	3.64
		<b>83,200,011</b>	<b>0.90</b>	<b>6.37</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
PUNJAB NATIONAL BANK	144	18,583	0.00	0.00
IDFC BANK LIMITED	14,780	833,592	0.01	0.06
BANK OF BARODA	114,182	15,711,443	0.17	1.20
INDUSIND BANK LTD.	16,611	27,943,024	0.30	2.14
STATE BANK OF INDIA	118,323	30,036,294	0.32	2.30
AXIS BANK LTD.	67,950	34,596,743	0.37	2.65
YES BANK	107,570	37,649,500	0.41	2.88
KOTAK MAHINDRA BANK LTD.	49,838	49,950,136	0.54	3.82
HDFC BANK LTD.	34,449	62,204,559	0.67	4.76
ICICI BANK LTD.	256,998	71,085,647	0.77	5.44
		<b>330,029,520</b>	<b>3.56</b>	<b>25.25</b>

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>SERVICE ACTIVITIES INCIDENTAL TO WATER TRANSPORTATION</b>				
RELIANCE PORTS & TERMINALS LTD.	1,640,000	165,792,067	1.79	5.39
		<b>165,792,067</b>	<b>1.79</b>	<b>5.39</b>
<b>ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS</b>				
NATIONAL THERMAL POWER CORPORATION LTD.	1,560,000	157,871,897	1.71	5.13
		<b>157,871,897</b>	<b>1.71</b>	<b>5.13</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	2,100,000	218,013,729	2.34	7.07
		<b>218,013,729</b>	<b>2.34</b>	<b>7.07</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
EXPORT IMPORT BANK OF INDIA	1,330,000	139,222,980	1.49	4.52
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	840,000	83,134,353	0.89	2.71
		<b>222,357,333</b>	<b>2.38</b>	<b>7.23</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	970,000	100,600,860	1.07	3.28
LIC HOUSING FINANCE LTD.	1,690,000	176,877,672	1.90	5.76
PNB HOUSING FINANCE LIMITED	630,000	64,203,522	0.69	2.08
		<b>341,682,054</b>	<b>3.66</b>	<b>11.12</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	2,710,000	280,216,851	3.03	9.12
HDFC BANK LTD.	180,000	18,422,766	0.20	0.60
ICICI BANK LTD.	2,170,000	223,425,183	2.41	7.27
IDFC BANK LIMITED	370,000	38,830,970	0.42	1.26
KOTAK MAHINDRA BANK LTD.	10,000	1,055,693	0.01	0.03
YES BANK	200,000	20,251,880	0.22	0.66
		<b>582,203,343</b>	<b>6.29</b>	<b>18.94</b>
<b>OTHER CREDIT GRANTING</b>				
CAN FIN HOMES LTD.	70,000	7,197,694	0.08	0.23
POWER FINANCE CORPORATION LTD.	2,530,000	259,813,716	2.80	8.45
RURAL ELECTRIFICATION CORPORATION LIMITED	2,160,000	222,796,777	2.41	7.24
		<b>489,808,187</b>	<b>5.29</b>	<b>15.92</b>