

**NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
COMBINED BALANCE SHEET OF ALL SCHEMES AS AT SEPTEMBER 30, 2018**

Particulars	Schedules	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
<u>Liabilities</u>				
Unit Capital	1	33304 78 31 846	29875 24 19 373	26565 97 54 676
Reserves and Surplus	2	44289 63 90 825	39608 02 75 192	34879 57 16 049
Current Liabilities and Provisions	3	10 05 14 670	12 08 59 334	10 31 02 099
Total		77604 47 37 341	69495 35 53 899	61455 85 72 824
<u>Assets</u>				
Investments	4	75824 88 52 678	67924 66 59 110	60064 36 33 051
Deposits	5	-	-	-
Other Current Assets	6	1779 58 84 663	1570 68 94 789	1391 49 39 773
Total		77604 47 37 341	69495 35 53 899	61455 85 72 824
(a) Net assets as per Balance Sheets		77594 42 22 671	69483 26 94 565	61445 54 70 725
(b) Number of units outstanding		3330 47 83 185	2987 52 41 937	2656 59 75 467
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, 2018

Particulars	Schedules	Half Year ended Sept 30, 2018 ₹	Half Year ended March 31, 2018 ₹	Half Year ended Sept 30, 2017 ₹
Income				
Dividend		87 14 03 311	37 25 92 937	68 63 34 949
Interest		2464 46 60 566	2125 32 97 609	1849 23 88 341
Profit on sale/redemption of investments		81 36 50 949	166 06 57 921	93 83 44 172
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		1063 00 45 596	574 39 61 236	1297 13 75 759
Other income		-	-	-
- Miscellaneous Income		75 504	-	3 459
Total Income (A)		3695 98 35 926	2903 05 09 703	3308 84 46 680
Expenses and Losses				
Unrealized losses in value of investments		3287 94 91 895	2272 71 36 796	457 11 30 444
Loss on sale/redemption of investments		43 12 73 563	13 62 40 336	9 09 23 458
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax / GST)		4 44 82 698	3 91 66 766	3 41 03 179
NPS Trust fees		1 84 82 374	3 25 46 298	2 86 84 318
Custodian fees (including service Tax / GST)		1 33 52 373	1 08 83 312	94 71 967
Depository and settlement charges (including service Tax / GST)		28 29 159	24 79 621	20 25 742
CRA Fees		7 61 03 200	6 37 82 150	5 07 88 342
Less: Amount recoverable on sale of units on account of CRA Charges		(7 61 03 200)	(6 37 82 150)	(5 07 88 342)
Provision for Non-Performing Assets		-	-	-
Other Expenses		-	214	-
Total Expenditure (B)		3338 99 12 062	2294 84 53 343	473 63 39 108
Surplus/(Deficit) for the year (A-B)		356 99 23 864	608 20 56 360	2835 21 07 572
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		2224 94 46 299	1698 31 75 560	(840 02 45 315)
Less: Amount transferred (to) / from General Reserve		(2581 93 70 163)	(2306 52 31 920)	(1995 18 62 257)
Amount carried forward to Balance Sheet		-	-	-

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, 2018

Schedule 1	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Unit Capital			
Outstanding at the beginning of the year	29875 24 19 373	26565 97 54 676	23585 91 96 942
Add :Units issued during the year	3570 45 32 144	3414 30 66 982	3065 75 37 659
Less: Units redeemed during the year	(140 91 19 671)	(105 04 02 285)	(85 69 79 925)
Outstanding at the end of the year	33304 78 31 846	29875 24 19 373	26565 97 54 676
(Face Value of Rs.10/- each unit, fully paid up)			
Outstanding units at the beginning of the year	2987 52 41 937	2656 59 75 467	2358 59 19 694
Add :Units issued during the year	357 04 53 215	341 43 06 698	306 57 53 766
Less: Units redeemed during the year	(14 09 11 967)	(10 50 40 228)	(8 56 97 993)
Outstanding units at the end of the year	3330 47 83 185	2987 52 41 937	2656 59 75 467
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Schedule 2	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Reserves and Surplus			
Unit Premium Reserve			
Opening Balance	23482 59 60 803	19362 34 58 020	15775 18 29 186
Add: Premium on Units issued	4494 75 91 963	4251 82 60 731	3688 16 43 527
Less: Premium on Units redeemed	(170 14 00 194)	(131 57 57 948)	(101 00 14 693)
Add: Transfer from General Reserve	-	-	-
Closing Balance	27807 21 52 572	23482 59 60 803	19362 34 58 020
General Reserve			
Opening Balance	13554 00 07 507	11247 47 75 587	9252 29 13 330
Add: Transfer from Revenue Account	2581 93 70 163	2306 52 31 920	1995 18 62 257
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	16135 93 77 670	13554 00 07 507	11247 47 75 587
Unrealised Appreciation Reserve			
Opening Balance	2571 43 06 882	4269 74 82 442	3429 72 37 127
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(2224 94 46 299)	(1698 31 75 560)	840 02 45 315
Closing Balance	346 48 60 583	2571 43 06 882	4269 74 82 442
Total	44289 63 90 825	39608 02 75 192	34879 57 16 049
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Schedule 3	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Current Liabilities and Provisions			
Current Liabilities			
Sundry Creditors for expenses	3 92 06 403	4 33 59 715	6 17 45 164
Book Overdraft	-	-	-
Redemption Payable	6 04 29 404	7 67 00 464	4 06 71 238
TDS Payable	8 78 863	7 99 155	6 85 697
Contracts for purchase of investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
Total	10 05 14 670	12 08 59 334	10 31 02 099

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, 2018

Schedule 4	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Investments (Long Term and Short Term)			
Equity Shares	10815 26 85 747	9513 58 47 282	8820 87 56 885
Preference Shares	2 66 07 076	2 55 78 782	-
Debentures and Bonds Listed/Awaiting Listing	25427 22 72 172	23972 13 41 189	21543 85 69 862
Central and State Government Securities (including treasury bills)	38119 54 65 389	33784 92 32 497	29363 20 79 525
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	1460 18 22 294	651 46 59 360	336 42 26 779
Total	75824 88 52 678	67924 66 59 110	60064 36 33 051

Schedule 5	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Deposits			
Deposits with Scheduled Banks	-	-	-
Total	-	-	-

Schedule 6	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Other Current Assets			
Balances with bank in a current account	1 65 00 033	72 85 18 604	60 842
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	-	-	-
Less: Provision for interest on Non-Performing Investment	-	-	-
Outstanding and accrued income	1739 54 66 092	1496 91 26 597	1391 48 78 931
Dividend Receivable	3 39 18 538	92 49 588	-
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	35 00 00 000	-	-
Redemption receivable on Non performing Investment	-	-	-
Less: Provision for Non Performing Investment	-	-	-
Total	1779 58 84 663	1570 68 94 789	1391 49 39 773

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, 2018

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 st May, 2009
2.	Scheme E - Tier II	14 th December, 2009
3.	Scheme C - Tier I	21 st May, 2009
4.	Scheme C - Tier II	14 th December, 2009
5.	Scheme G - Tier I	21 st May, 2009
6.	Scheme G - Tier II	14 th December, 2009
7.	Scheme A - Tier I	14 th October, 2016
8.	Scheme A - Tier II	20 th October, 2016
9.	Scheme - Central Govt.	1 st April, 2008
10.	Scheme - State Govt.	25 th June, 2009
11.	NPS Lite Scheme - Govt. Pattern	4 th October, 2010
12.	Scheme - Corporate CG	5 th November, 2012
13.	Atal Pension Yojana	4 th June, 2015

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

Sr. No.	Name of Scheme	Investment Objective
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 of 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 border="1"> <thead> <tr> <th>Instrument</th> <th>Limit</th> </tr> </thead> <tbody> <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> </tbody> </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%													
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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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 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 and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.

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. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.

- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
 - iii. As per current practice followed in industry, if any security's rating falls below investment grade, the security is valued at discount of 25% to the outstanding face value. As informed by Stock Holding Corporation of India Limited (SHCIL), the valuer appointed by the NPS Trust, the same formula has been followed in such cases.
 - iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
 - v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
 - vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
 - vii. 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.
 - viii. Partly paid bonds are valued at cost till it is fully paid.
 - ix. 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 30-09-18
1. Securities traded at a stock exchange: 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 ₹ 127.63 Crores.

<p>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.</p>	<p>Money Market instruments are valued as per debt securities. i.e. upto 60 days residual maturity - Amortisation, above 60 days - YTM basis.</p>	<p>Impact was not ascertainable.</p>
<p>4. Front-end discount should be reduced from the Cost of investments.</p>	<p>Front-end discount is taken to Income.</p>	<p>Impact was not ascertainable.</p>

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 ₹ 4,44,82,698/- (Previous Period ₹ 3,91,66,766/-) including Service Tax / GST.

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 ₹ 1,84,82,374/- (Previous Period ₹ 3,25,46,298/-).

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	%
53,182.97	72.09	42,755.35	57.96	48,413.72	74.13	38,686.94	59.23

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, 2018 is ₹ 10,494.26 Crores (Previous Period ₹ 10,927.36 Crores).

J. Net Asset Value:

Sr. No.	Name of Scheme	Current Period		Previous Period
		As on 30th Sept, 2018* (in ₹)	As on 28th Sept, 2018** (in ₹)	As on 31st March, 2018 (in ₹)
1.	Scheme E - Tier I	28.1910	28.1909	26.6015
2.	Scheme E - Tier II	22.9975	22.9972	21.5731
3.	Scheme C - Tier I	22.2903	22.2803	22.3880
4.	Scheme C - Tier II	21.3725	21.3629	21.4076
5.	Scheme G - Tier I	20.3318	20.3229	20.4148
6.	Scheme G - Tier II	20.8466	20.8374	20.9458
7.	Scheme A - Tier I	11.3866	11.3805	10.9848
8.	Scheme A - Tier II	10.0000	10.0000	10.0000
9.	Scheme - Central Govt	25.4533	25.4435	25.3233
10.	Scheme - State Govt.	22.6515	22.6428	22.5518
11.	NPS Lite Scheme - Govt. Pattern	21.1720	21.1638	21.0081
12.	Scheme - Corporate CG	10.0000	10.0000	10.0000
13.	Atal Pension Yojana	12.9848	12.9799	12.9130

* 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	%
3,695.98	5.01	3,338.99	4.53	2,903.05	4.44	2,294.85	3.51

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	₹ 43,159.49	₹ 1,460.18	₹ 38,414.68	₹ 651.47

N. Portfolio: Please refer scheme wise financials for industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 30th September, 2018.

O. The Previous Period 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, 2018

Particulars	Schedules	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
<u>Liabilities</u>				
Unit Capital	1	96 44 26 710	84 72 90 587	63 49 19 685
Reserves and Surplus	2	175 43 96 427	140 66 33 441	98 58 49 079
Current Liabilities and Provisions	3	18 76 993	34 50 062	17 22 363
Total		272 07 00 130	225 73 74 090	162 24 91 127
<u>Assets</u>				
Investments	4	271 97 12 338	225 69 51 015	162 17 60 122
Deposits	5	-	-	-
Other Current Assets	6	9 87 792	4 23 075	7 31 005
Total		272 07 00 130	225 73 74 090	162 24 91 127
(a) Net assets as per Balance Sheets		271 88 23 137	225 39 24 028	162 07 68 764
(b) Number of units outstanding		9 64 42 671	8 47 29 059	6 34 91 968
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, 2018

Particulars	Schedules	Half Year ended Sept 30, 2018 ₹	Half Year ended March 31, 2018 ₹	Half Year ended Sept 30, 2017 ₹
Income				
Dividend		2 24 00 392	73 99 442	1 27 35 183
Interest		-	-	-
Profit on sale/redemption of investments		98 84 205	63 76 267	1 88 95 667
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		25 28 80 159	10 94 65 130	13 97 56 471
Other income		-	-	-
- Miscellaneous Income		791	-	911
Total Income (A)		28 51 65 547	12 32 40 839	17 13 88 232
Expenses and Losses				
Unrealized losses in value of investments		14 43 59 800	6 72 65 733	7 76 68 772
Loss on sale/redemption of investments		52 92 727	-	10 95 193
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including service Tax / GST)		1 55 804	1 11 663	87 850
NPS Trust fees		66 019	94 631	75 345
Custodian fees (including service Tax / GST)		43 832	23 468	22 373
Depository and settlement charges (including service Tax / GST)		6 317	4 482	3 727
CRA Fees		12 33 207	13 32 107	9 06 062
Less: Amount recoverable on sale of units on account of CRA Charges		(12 33 207)	(13 32 107)	(9 06 062)
Provision for Non-Performing Assets		-	-	-
Other Expenses		-	308	-
Total Expenditure (B)		14 99 24 499	6 75 00 285	7 89 53 260
Surplus/(Deficit) for the year (A-B)		13 52 41 048	5 57 40 554	9 24 34 972
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(10 85 20 359)	(4 21 99 397)	(6 20 87 699)
Less: Amount transferred (to) / from General Reserve		(2 67 20 689)	(1 35 41 157)	(3 03 47 273)
Amount carried forward to Balance Sheet		-	-	-

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, 2018

Schedule 1	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Unit Capital			
Outstanding at the beginning of the year	84 72 90 587	63 49 19 685	54 18 20 572
Add :Units issued during the year	16 23 17 235	24 75 35 871	12 09 25 824
Less: Units redeemed during the year	(4 51 81 112)	(3 51 64 969)	(2 78 26 711)
Outstanding at the end of the year	96 44 26 710	84 72 90 587	63 49 19 685
(Face Value of Rs.10/- each unit, fully paid up)			
Outstanding units at the beginning of the year	8 47 29 059	6 34 91 968	5 41 82 057
Add :Units issued during the year	1 62 31 723	2 47 53 588	1 20 92 582
Less: Units redeemed during the year	(45 18 111)	(35 16 497)	(27 82 671)
Outstanding units at the end of the year	9 64 42 671	8 47 29 059	6 34 91 968

Schedule 2	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Reserves and Surplus			
Unit Premium Reserve			
Opening Balance	99 51 40 587	63 00 96 779	49 12 89 681
Add: Premium on Units issued	29 63 44 506	42 63 67 896	18 08 98 591
Less: Premium on Units redeemed	(8 38 22 568)	(6 13 24 088)	(4 20 91 493)
Add: Transfer from General Reserve	-	-	-
Closing Balance	120 76 62 525	99 51 40 587	63 00 96 779
General Reserve			
Opening Balance	8 87 45 031	7 52 03 874	4 48 56 601
Add: Transfer from Revenue Account	2 67 20 689	1 35 41 157	3 03 47 273
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	11 54 65 720	8 87 45 031	7 52 03 874
Unrealised Appreciation Reserve			
Opening Balance	32 27 47 823	28 05 48 426	21 84 60 727
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	10 85 20 359	4 21 99 397	6 20 87 699
Closing Balance	43 12 68 182	32 27 47 823	28 05 48 426
Total	175 43 96 427	140 66 33 441	98 58 49 079

Schedule 3	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Current Liabilities and Provisions			
Current Liabilities			
Sundry Creditors for expenses	1 34 737	1 25 142	1 59 475
Book Overdraft	-	-	-
Redemption Payable	17 39 265	33 22 602	15 61 141
TDS Payable	2 991	2 318	1 747
Contracts for Purchase of Investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
Total	18 76 993	34 50 062	17 22 363

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, 2018

Schedule 4	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Investments (Long Term and Short Term)			
Equity Shares	268 60 91 005	216 63 78 012	160 65 71 658
Preference Shares	4 48 072	4 30 755	4 43 743
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	3 31 73 261	9 01 42 248	1 47 44 721
Total	271 97 12 338	225 69 51 015	162 17 60 122
Schedule 5			
	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Deposits			
Deposits with Scheduled Banks	-	-	-
Total	-	-	-
Schedule 6			
	As at Sept 30, 2018 ₹	As at March 31, 2018 ₹	As at Sept 30, 2017 ₹
Other Current Assets			
Balances with bank in a current account	1	2 55 029	1 482
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	-	-	-
Less: Provision for interest on Non-Performing Investment	-	-	-
Outstanding and accrued income	-	-	-
Dividend Receivable	9 87 791	1 68 046	7 29 523
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
Redemption receivable on Non performing Investment	-	-	-
Less: Provision for Non Performing Investment	-	-	-
Total	9 87 792	4 23 075	7 31 005

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, 2018

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 21st 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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 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 and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post

demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.

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. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. As per current practice followed in industry, if any security's rating falls below investment grade, the security is valued at discount of 25% to the outstanding face value. As informed by Stock Holding Corporation of India Limited (SHCIL), the valuer appointed by the NPS Trust, the same formula has been followed in such cases.

- iv. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- v. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- vi. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vii. 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.
- viii. Partly paid bonds are valued at cost till it is fully paid.
- ix. 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.