



Annual Report of NPS Schemes

managed by

UTI Retirement Solutions Limited

For the Financial Year 2016 – 17

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1. Introduction

The National Pension System (NPS) is a '**Government of India**' initiative with an objective of Development of a sustainable and efficient voluntary defined contribution Pension System in India. It is regulated by Pension Fund Regulatory & Development Authority (PFRDA). NPS provides a platform for savings to create a Retirement Corpus (Pension Wealth), to enable subscriber for purchasing Annuity post retirement.

NPS is applicable on a mandatory basis to all Central Government Employees (except Armed Forces) who have joined services with effect from 1st January, 2004. Various State Governments have also introduced NPS for their employees.

The scheme was made open to the general public w.e.f. May 2009. Indian citizens in the age group of 18 to 60 are eligible for the scheme. Initially, the contributions made by investors were invested in 3 asset classes: E (Equities), C (Corporate Bonds) and G (Govt. Securities). PFRDA introduced a new Asset Class in NPS Schemes i.e. "Asset Class – A" in addition to the existing asset classes 'E', 'C' and 'G' w.e.f. 7th October, 2016. The new Asset Class A will invest in alternative investment funds viz. Commercial mortgage based securities or Residential mortgaged based securities, Units issued by Real Estate Investment Trusts regulated by the SEBI, Asset backed securities regulated by SEBI, Units of Infrastructure Investment Trusts regulated by SEBI and Alternative Investment Funds (AIF Category I & II) registered with SEBI.

NPS offers 2 investment choices - 'Active Choice' and 'Auto Choice'.

The Active Choice offers flexibility to subscribers to decide the asset allocation between the 4 asset classes E, C, G & A. The maximum exposure to Equity is restricted to 50% and maximum exposure to Asset Class 'A' is restricted to 5% whereas in Corporate Bonds and Govt. Securities one can invest upto 100%. It is appropriate for the subscribers who are well versed with the market and who have the ability to take informed decisions. The subscribers have the freedom to change the asset allocation twice in a financial year.

In the Auto Choice; the asset allocation is linked to the age of the investor and changes over the life span in a pre- determined manner. That is why it is also referred to as Life Cycle Fund. Under this choice, investors have 3 options: -

- i) Aggressive Life Cycle Fund (with Equity upto 75%)
- ii) Moderate Life Cycle Fund (with Equity upto 50%)
- iii) Conservative Life Cycle Fund (with Equity upto 25%)

The details of the same may be accessed from the official website of Pension Fund Regulatory & Development Authority and NPS Trust i.e. www.pfrda.org.in and www.npstrust.org.in.

For the Govt. Employees (both Central & State Govt.), NPS Lite Scheme – Govt. Pattern and Scheme Corporate CG the prescribed asset allocation has been maximum 15% in Equities and minimum 85% in Debt (Govt. Securities & Corporate Bonds).

The funds are invested in accordance with PFRDA guidelines and the Investment Prudential Norms as set up by the company with the objective of optimizing returns.

2. Operation and future outlook

As on March 31, 2017 the company was managing following 13 schemes:

Sr. No.	Name of Schemes	AUM (₹ in Crore)	
		As on 31/03/2017	As on 31/03/2016
1.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I	129.64	59.99
2.	NPS Trust–A/C UTI Retirement Solutions Scheme E – Tier II	9.86	6.03
3.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I	81.94	42.24
4.	NPS Trust–A/C UTI Retirement Solutions Scheme C – Tier II	6.68	4.59
5.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I	122.90	62.76
6.	NPS Trust–A/C UTI Retirement Solutions Scheme G – Tier II	8.15	5.12
7.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I*	0.05	0.00
8.	NPS Trust–A/C UTI Retirement Solutions Scheme A–Tier II [#]	0.01	0.00
9.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Central Govt.	22,291.17	15,969.31
10.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – State Govt.	28,024.28	19,006.30
11.	NPS Trust – A/C UTI Retirement Solutions Ltd. – NPS Lite Scheme –Govt. Pattern	746.12	595.19
12.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme –Corporate CG	0.00	0.00
13.	NPS Trust – A/C UTI Retirement Solutions Scheme – Atal Pension Yojana	622.35	166.82
	Total	52,043.15	35,918.35
* The scheme started its operation w.e.f. 14 th October, 2016			
[#] The scheme started its operation w.e.f. 20 th October, 2016			

With the overall pension coverage in India at around 12% - 13% only, the future outlook of NPS Schemes seems to be very bright. With the additional Tax sops for an investment upto Rs.50,000.00 in NPS under Section 80CCD(1B) and the tax free withdrawal of 40% of the Retirement Corpus post retirement, NPS has become more attractive and tax friendly for the investors.

As per the studies carried out by independent entities from time to time it has been reaffirmed that the Pension Market in India will grow to about ₹ 4064 billion by 2025.

3. Market Outlook for FY 2017 – 18

(a) **Equity Market**

Financial Year 2017 was a good year for Indian equities with the Nifty gaining 18.55% for the year. This was a reversal of the down year in Financial Year 2016 which saw the Nifty fall by 8.86%. The year was punctuated by a sharp drop and spike in volatility in the final months of the year 2016. The market fell sharply following demonetization of high value currency notes. This was also the period of uncertainty preceding the outcome of the US Presidential elections. However a blistering rally of over 12% in the final quarter of Financial Year 2017, ensured that the market finished with significant gains for the year. The Nifty 50, S&P BSE MidCap, S&P BSE SmallCap & S&P BSE 500 Index made their lifetime highs in the month of March 17.

The key highlights of Financial Year 2017 were:

- Mutual funds (MFs) remained net buyers on continued local appetite for Equities as was experienced in Financial Year 2016. During the Financial Year 2017, MFs remained net buyers of equity with an inflow of close to \$12 billion.
- Information Technology (-9%) was the only sector to generate negative returns; Metal (56.5%), Oil & Gas (48%), Banks (32.8%), consumer durable (32.9%) & Auto (22.2%) outperformed the Nifty 50 index.
- Mid-caps and small-caps continued their outperformance of the Nifty 50 during the year.
 - Valuation Multiples

Name	Trailing PE at End of Year											Previous 7-yr average valuation				
	CY06	CY07	CY08	CY09	CY10	CY11	CY12	CY13	CY14	CY15	CY16	CY12	CY13	CY14	CY15	CY16
Nifty 50	19.5	22.5	11.4	23.5	20.0	13.9	16.1	16.2	19.4	20.7	20.6	18.1	17.7	17.2	18.5	18.1
S&P BSE MidCap	20.2	22.5	8.4	16.1	16.7	11.3	16.6	14.4	25.0	27.1	27.7	16.0	15.2	15.5	18.2	19.8
S&P BSE SmallCap	16.6	19.4	7.1	13.7	11.5	7.9	32.1	55.5	60.9	44.1	68.0	15.5	21.0	27.0	32.3	40.0
S&P BSE 500 IDX	20.1	23.3	11.0	20.5	18.1	13.3	16.4	16.9	20.4	23.1	23.2	17.5	17.1	16.7	18.4	18.8

CY- Calendar Year

Market Outlook

Earnings growth (trailing 12 months) for the Nifty 50 index is at 9.6%. For the full Financial Year 2017, Nifty Earnings Per Share growth (Bloomberg consensus) is 13.6% and for Financial Year 2018 the forecast is at 24.3% (Bloomberg consensus). The impact of demonetisation on growth is proving to be transient as growth recovers. We believe (a) further upsides to the market will depend upon earning growth, global environment, Goods & Services Tax (GST) implementation.; (b) Second half of Financial year 2018 will benefit from favourable base effect and pent-up demand for consumption.; (c) corporate lenders will continue to have favourable earnings base but weak credit growth and ageing related provisions on existing Non Performing Assets (NPA) will cap upsides;(d) unorganised to organised theme has benefited from demonetization and would gain further traction with implementation of GST.

(b) Debt Market Outlook:

Fixed Income Outlook:

Amidst two stark cycles, Financial Year 2017 marked an extremely volatile year for the fixed income market. Centre's fiscal consolidation, declining inflation and a stable macro provided room for 50bps cut in the Repo rate to 6.25% over and above the 125bps seen in Financial Year 2016. Aggressive Open Market Operations (OMO) purchases, cut in the G-Sec borrowing to Rs 5,82,000 Cr and surplus liquidity in second half of the year supported higher G-Sec prices. A surge in G-Sec demand tracking huge bank deposits post demonetization led to a sharp rally. However, a steep upward reversal in yields was seen on the back of the unexpected move towards a neutral monetary policy stance towards the fag end of the fiscal.

For Financial Year 2018 the rate cut cycle remains behind us, considering the upside risks to inflation and the 4% headline Consumer Price Index (CPI) inflation target set by the Reserve Bank of India. Upside risks to inflation stem from: 1) The possibility of El-Nino adversely impacting the south west monsoon, 2) implementation of the 7th pay commission allowances, 3) roll out of GST, 4) stubborn core inflation seen so far, 5) reversal of favourable base effects and 6) global reflation to some extent. With a neutral monetary policy stance adopted by the Reserve Bank of India (RBI), the fixed income market will likely be weighed down by the supply dynamics (huge state supply), gradual reversal of the excess liquidity surplus and rising inflationary pressures. RBI's intervention in terms of liquidity management, with the possibility of OMO sales would add an upside bias to the yield curve. While the Budget announced a lower borrowing number (Rs 5,80,000 Cr), rising state supply would make foreign investor appetite imperative in the absence of OMO purchases by RBI as conducted in FY17. External influences such as the Fed hike, China's recovery, European elections and Brexit would impart volatility. Relatively healthy position of the Indian economy on the global platform and a stable Indian Rupee (INR) trend would help weather the volatility.

4. Liabilities and responsibilities of Pension Fund Manager (PF)

Liabilities and responsibilities have been incorporated in the Investment Management Agreement (IMA) entered into by UTI Retirement Solutions Limited with NPS Trust, which *inter-alia* includes:

- a. The PF shall assume day to day investment management of the Schemes and, in that capacity, make investment decisions and manage the Scheme in accordance with this agreement, the Investment Guidelines, Scheme Objectives, the Deed of Trust and provisions of the PFRDA, rules/ guidelines/ directions/ notifications/ circulars/ regulations and law in force from time to time. The PF shall act as the Investment Manager of the Schemes with respect to the investment and reinvestment of the investible funds including cash, securities and other properties comprising the assets of

each scheme organized under the PF with full discretionary authority in accordance with the investment policies set forth in the Deed of Trust and by the PFRDA guidelines/directions from time to time. The transactions entered into by the PF shall be in accordance with the PFRDA Guidelines including the Guidelines for Registration, the Trust Deed and the Code of Ethics prescribed by the NPS Trust.

- b. PF shall have regard to the investment guidelines set out in Schedule II when investing and managing the funds. However, nothing contained herein shall amount to the PF having assured any minimum rate of return on the investment.
- c. The PF shall maintain books and records and comply with the disclosure requirements specified by PFRDA/NPS Trust from time to time.
- d. The PF shall exercise all due diligence, prudence, promptness and vigilance in carrying out its duties and in protecting the rights and interests of the subscribers. The PF shall avoid all nature of speculative transactions/dealing in investments. Investment decisions should be taken by the PF with emphasis on safety and optimum returns.
- e. The PF shall not give any undue or unfair advantage to any associates or deal with any of the associates of the Pension Fund in any manner detrimental to interest of the Subscribers.
- f. The PF shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the PF and shall be liable to compensate for such acts of commissions or omissions.

5. Investment Objectives NPS Schemes

The investment objective of the scheme is primarily to provide optimum returns through growth in the NAV. The Fund invests in accordance with PFRDA Investment Guidelines and Internal Investment norms laid down by the Board of Directors. The Fund follows a conservative style of management offering stable returns with low volatility and more weightage to higher rated and longer duration investment options.

The investment objectives of NPS Schemes are as under:

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; 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 Exchange traded derivatives regulated by SEBI
2.	Scheme E – Tier II	
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; 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
4.	Scheme C – Tier II	

		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 c) Units of mutual funds set up as dedicated funds for investment in Government securities and regulated by the SEBI.												
6.	Scheme G – Tier II													
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: <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%													
10.	Scheme State Govt.													
11.	NPS Lite Scheme – Govt. Pattern													
12.	Scheme Corporate CG													
13.	Scheme Atal Pension Yojana													

6. Basis and Policy of Investment

The Pension Fund expects to earn steady returns and capital appreciation with low risk, over a long term horizon while investing as per the Investment Guidelines of PFRDA and the Prudential Norms laid down by the Board of Directors of UTI Retirement Solutions Limited. The fund looks for opportunities to maximize returns while focusing on high credit quality, risk parameters.

The Schemes focus on high credit quality and does not make any investment below AA. The credit profile of debt component of schemes as on March 31, 2017 is as under:

Rating	Central Govt. Scheme	State Govt. Scheme	Scheme C - Tier I	Scheme C - Tier II	NPS Lite Scheme	APY
AAA/equivalent /A1+for CP/CD	89.68%	94.17%	96.11%	92.79%	94.03%	98.71%
AA+	6.57%	3.52%	2.94%	5.12%	3.42%	1.29%
AA	1.03%	0.89%	0.68%	2.09%	1.43%	0.00%
AA-	2.59%	1.42%	0.27%	0.00%	1.12%	0.00%
Below AA-	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

* w.e.f. 1st April, 2015 the minimum investment grade is “AA or equivalent”.

7. Declaration

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

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

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

8. Fund Facts & Performance**a) Scheme E – Tier I:-**

Date of Inception	May 21, 2009	
Fund size as on 31/03/2017	₹ 129.64 Crore	
NAV as on 31/03/2017	₹ 23.9272	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (Nifty 100)
Last 1 year	22.93%	20.87%
Last 3 years	14.10%	12.78%
Last 5 years	14.49%	12.72%
Since inception	11.73%	14.30%

b) Scheme E – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2017	₹ 9.86 Crore	
NAV as on 31/03/2017	₹ 19.4088	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (Nifty 100)
Last 1 year	22.04%	20.87%
Last 3 years	14.28%	12.78%
Last 5 years	14.48%	12.72%
Since inception	9.51%	9.07%

c) Scheme C – Tier I:-

Date of Inception	May 21, 2009	
Fund size as on 31/03/2017	₹ 81.94 Crore	
NAV as on 31/03/2017	₹ 21.1324	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (NPS – Corporate Bond Index)
Last 1 year	12.04%	12.31%
Last 3 years	11.91%	12.69%
Last 5 years	11.03%	11.05%
Since inception	9.98%	9.44%

d) Scheme C – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2017	₹ 6.68 Crore	
NAV as on 31/03/2017	₹ 20.1740	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (NPS – Corporate Bond Index)
Last 1 years	11.65%	12.31%
Last 3 years	11.76%	12.69%
Last 5 years	10.77%	11.05%
Since inception	10.09%	9.72%

e) Scheme G – Tier I:-

Date of Inception	May 21, 2009	
Fund size as on 31/03/2017	₹ 122.90 Crore	
NAV as on 31/03/2017	₹ 19.5892	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (NPS – Govt. Securities Index)
Last 1 year	11.66%	11.90%
Last 3 years	12.82%	12.84%
Last 5 years	10.49%	10.42%
Since inception	8.92%	7.63%

f) Scheme G – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2017	₹ 8.15 Crore	
NAV as on 31/03/2017	₹ 20.0667	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (NPS – Govt. Securities Index)
Last 1 year	11.96%	11.90%
Last 3 years	13.03%	12.84%
Last 5 years	10.49%	10.42%
Since inception	10.01%	8.95%

g) Scheme A – Tier I:-

Date of Inception	October 14, 2016	
Fund size as on 31/03/2017	₹ 0.05 Crore	
NAV as on 31/03/2017	₹ 10.2832	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark
Since inception* (14 th October, 2016)	2.83%	NA

* Since the scheme has not completed one year of its operation, the return shown is absolute return and not annualized.

h) Scheme A – Tier II:-

Date of Inception	October 20, 2016	
Fund size as on 31/03/2017	₹0.01 Crore	
NAV as on 31/03/2017	₹10.2876	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark
Since inception* (20 th October, 2016)	2.88%	NA

* Since the scheme has not completed one year of its operation, the return shown is absolute return and not annualized.

i) Scheme – Central Government:-

Date of Inception	March 31, 2008	
Fund size	₹ 22,291.17 Crore	
NAV as on 31/03/2017	₹ 23.8338	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme Returns	Benchmark (NPS – Government Pattern Index)
Last 1 year	13.64%	12.83%
Last 3 years	12.67%	12.69%
Last 5 years	11.03%	10.97%
Since inception	10.13%	9.55%

j) Scheme – State Government :-

Date of Inception	June 25, 2009	
Fund size as on 31/03/2017	₹ 28024.28Crore	
NAV as on 31/03/2017	₹ 21.2658	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme Returns	Benchmark (NPS – Government Pattern Index)
Last 1 year	13.56%	12.83%
Last 3 years	12.75%	12.69%
Last 5 years	11.18%	10.97%
Since inception	10.20%	9.20%

k) NPS Lite Scheme –Govt. Pattern:-

Date of Inception	October 04, 2010	
Fund size as on 31/03/2017	₹ 746.12 Crore	
NAV as on 31/03/2017	₹ 19.7655	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme Returns	Benchmark (NPS – Government Pattern Index)
Last 1 year	13.60%	12.83%
Last 3 years	12.71%	12.69%
Last 5 years	11.20%	10.97%
Since inception	11.06%	9.35%

l) Scheme Atal Pension Yojana:-

Date of Inception	June 04, 2015	
Fund size as on 31/03/2017	₹ 622.35 Crore	
NAV as on 31/03/2017	₹ 12.2169	
Performance as on 31/03/2017: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme Returns	Benchmark (NPS – Government Pattern Index)
Last 1 year	14.24%	12.83%
Last 3 years	NA	12.69%
Last 5 years	NA	10.97%
Since inception	11.60%	NA

9. Perspective Historical Key Statistics

a) Scheme E – Tier I:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	19.4500	21.0910	16.1206
	High	23.9922	21.6775	21.8878
	Low	19.0491	17.5350	16.1192
	End	23.9272	19.4648	20.8659
II.	Closing Asset Under Management (₹ In Crore)	129.64	59.99	34.83
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	87.12	40.13	28.58
IV.	Gross income³ as % of AAUM	23.40%	6.73%	23.41%
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.0249%	0.0247%	0.0945%
	b. Management Fee as % of AAUM	0.0114%	0.0114%	0.0859%
	c. Net Income ⁵ as a percentage of AAUM	20.76%	-4.94%	20.27%
VI.	Portfolio Turnover Ratio⁶	1.56%	2.50%	3.64%
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	22.93%	-6.70%	29.44%
	Last 3 Years	14.10%	13.60%	18.91%
	Last 5 Years	14.49%	7.36%	10.63%
	Since Launch of the scheme (May 21, 2009)	11.73%	10.19%	13.37%

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

b) Scheme E – Tier II:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	15.8697	17.1953	13.0175
	High	19.4088	17.6892	17.8934
	Low	15.5261	14.3396	13.0233
	End	19.4088	15.9037	17.0169
II.	Closing Asset Under Management (₹ In Crore)	9.86	6.03	4.85
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	7.67	5.24	4.16
IV.	Gross income³ as % of AAUM	22.57%	5.48%	25.16%
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.0244%	0.0246%	0.0985%
	b. Management Fee as % of AAUM	0.0114%	0.0114%	0.0897%
	c. Net Income ⁵ as a percentage of AAUM	20.04%	-6.21%	22.74%
VI.	Portfolio Turnover Ratio⁶	1.49%	3.83%	3.66%
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	22.04%	-6.53%	30.72%
	Last 3 Years	14.28%	13.80%	19.11%
	Last 5 Years	14.48%	7.55%	11.15%
	Since Launch of the scheme (December 14, 2009)	9.51%	7.64%	10.56%

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

c) Scheme C – Tier I:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	18.8666	17.3351	15.0696
	High	21.1993	18.8617	17.3309
	Low	18.8666	17.3094	14.9903
	End	21.1324	18.8617	17.3308
II.	Closing Asset Under Management (₹ In Crore)	81.94	42.24	22.94
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	57.93	28.39	18.07
IV.	Gross income³ as % of AAUM	11.07%	9.24%	14.02%
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.0261%	0.0253%	0.0947%
	b. Management Fee as % of AAUM	0.0114%	0.0114%	0.0864%
	c. Net Income ⁵ as a percentage of AAUM	10.73%	8.80%	13.89%
VI.	Portfolio Turnover Ratio⁶	2.84%	3.93%	1.66%
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	12.04%	8.81%	15.01%
	Last 3 Years	11.91%	9.92%	11.45%
	Last 5 Years	11.03%	10.66%	10.75%
	Since Launch of the scheme (May 21, 2009)	9.98%	9.68%	9.83%

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

d) Scheme C – Tier II:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	18.0733	16.6464	14.4441
	High	20.2420	18.0689	16.6421
	Low	18.0733	16.6005	14.3501
	End	20.1740	18.0689	16.6420
II.	Closing Asset Under Management (₹ In Crore)	6.68	4.59	3.25
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	5.54	3.83	2.68
IV.	Gross income³ as % of AAUM	10.75%	9.17%	14.28%
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.0267%	0.0255%	0.0995%
	b. Management Fee as % of AAUM	0.0114%	0.0114%	0.0913%
	c. Net Income ⁵ as a percentage of AAUM	10.43%	8.35%	14.14%
VI.	Portfolio Turnover Ratio⁶	1.95%	13.39%	4.07%
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	11.65%	8.55%	15.22%
	Last 3 Years	11.76%	9.77%	11.23%
	Last 5 Years	10.77%	10.72%	10.53%
	Since Launch of the scheme (December 14, 2009)	10.09%	9.85%	10.10%

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

e) Scheme G – Tier I:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	17.5487	16.3766	13.6297
	High	20.5843	17.5443	16.3944
	Low	17.5487	16.0969	13.3948
	End	19.5892	17.5443	16.3728
II.	Closing Asset Under Management (₹ In Crore)	122.90	62.76	34.27
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	87.22	41.97	27.00
IV.	Gross income³ as % of AAUM	10.14%	9.20%	18.33%
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.0267%	0.0257%	0.0945%
	b. Management Fee as % of AAUM	0.0114%	0.0114%	0.0851%
	c. Net Income ⁵ as a percentage of AAUM	9.68%	7.83%	18.18%
VI.	Portfolio Turnover Ratio⁶	1.49%	15.65%	3.04%
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	11.66%	7.13%	20.13%
	Last 3 Years	12.82%	9.10%	11.25%
	Last 5 Years	10.49%	8.89%	9.96%
	Since Launch of the scheme (May 21, 2009)	8.92%	8.53%	8.77%

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

f) Scheme G – Tier II:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	17.9272	16.7104	13.8976
	High	21.0642	17.9231	16.7396
	Low	17.9272	16.4141	13.6480
	End	20.0667	17.9231	16.7065
II.	Closing Asset Under Management (₹ In Crore)	8.15	5.12	3.87
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	6.58	4.40	2.92
IV.	Gross income³ as % of AAUM	10.32%	8.98%	18.04%
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.0278%	0.0270%	0.0991%
	b. Management Fee as % of AAUM	0.0114%	0.0114%	0.0874%
	c. Net Income ⁵ as a percentage of AAUM	9.89%	7.38%	17.91%
VI.	Portfolio Turnover Ratio⁶	3.07%	15.75%	4.53%
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	11.96%	7.26%	20.21%
	Last 3 Years	13.03%	9.02%	11.11%
	Last 5 Years	10.49%	8.84%	10.64%
	Since Launch of the scheme (December 14, 2009)	10.01%	9.71%	10.18%

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

g) Scheme A – Tier I:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016*	For the year ended 31/03/2015*
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	10.0000	NA	NA
	High	10.2832	NA	NA
	Low	10.0000	NA	NA
	End	10.2832	NA	NA
II.	Closing Asset Under Management (₹ In Crore)	0.05	NA	NA
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	0.0075	NA	NA
IV.	Gross income³ as % of AAUM	6.50%	NA	NA
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.02%	NA	NA
	b. Management Fee as % of AAUM	0.0106%	NA	NA
	c. Net Income ⁵ as a percentage of AAUM	6.48%	NA	NA
VI.	Portfolio Turnover Ratio⁶	-	NA	NA
VII.	Total Dividend per unit distributed during the year / period	Nil	NA	NA
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year*	NA	NA	NA
	Last 3 Years*	NA	NA	NA
	Last 5 Years*	NA	NA	NA
	Since Launch of the scheme [#] (14/10/2016)	2.83%	NA	NA

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

* The schemes started their operation w.e.f. 14th October, 2016

Since the scheme has not completed one year of its operation, the return shown is absolute return and not annualized.

h) Scheme A – Tier II:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016*	For the year ended 31/03/2015*
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	10.0000	NA	NA
	High	10.2876	NA	NA
	Low	10.0000	NA	NA
	End	10.2876	NA	NA
II.	Closing Asset Under Management (₹ In Crore)	0.01	NA	NA
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	0.00076	NA	NA
IV.	Gross income³ as % of AAUM	6.58%	NA	NA
V.	Expenses Ratio		NA	NA
	a. Total Expenses ⁴ as % of AAUM	0.026%	NA	NA
	b. Management Fee as % of AAUM	0.0131%	NA	NA
	c. Net Income ⁵ as a percentage of AAUM	6.55%	NA	NA
VI.	Portfolio Turnover Ratio⁶	-	NA	NA
VII.	Total Dividend per unit distributed during the year / period	Nil	NA	NA
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year*	NA	NA	NA
	Last 3 Years*	NA	NA	NA
	Last 5 Years*	NA	NA	NA
	Since Launch of the scheme (20/10/2016)	2.88%	NA	NA

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

* The schemes started their operation w.e.f. 20th October, 2016

Since the scheme has not completed one year of its operation, the return shown is absolute return and not annualized.

i) Scheme – Central Government:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	20.9758	19.7755	16.6618
	High	23.9509	20.9739	19.8397
	Low	20.9758	19.4999	16.4994
	End	23.8338	20.9739	19.7422
II.	Closing Asset Under Management (₹ In Crore)	22,291.17	15,969.31	12,201.09
III.	Average Daily Net Assets (AAUM)² – ₹In Crore	19,327.03	13,952.61	10,165.95
IV.	Gross income³ as % of AAUM	12.64%	8.47%	16.65%
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.0261%	0.0248%	0.0203%
	b. Management Fee as % of AAUM	0.0117%	0.0116%	0.0115%
	c. Net Income ⁵ as a percentage of AAUM	12.18%	6.28%	16.16%
VI.	Portfolio Turnover Ratio⁶	2.58%	5.60%	5.78%
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	13.64%	6.22%	18.49%
	Last 3 Years	12.67%	9.75%	11.82%
	Last 5 Years	11.03%	9.40%	9.86%
	Since Launch of the scheme (March 31, 2008)	10.13%	9.70%	10.20%

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

j) Scheme – State Government :-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	18.7300	17.6452	14.8384
	High	21.4186	18.7273	17.6965
	Low	18.7300	17.3928	14.6814
	End	21.2658	18.7273	17.6169
II.	Closing Asset Under Management (₹ In Crore)	28,024.28	19,006.30	12,073.08
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	23,743.08	15,565.42	9,336.81
IV.	Gross income³ as % of AAUM	12.50%	8.45%	16.75%
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.0261%	0.0251%	0.0203%
	b. Management Fee as % of AAUM	0.0117%	0.0116%	0.0114%
	c. Net Income ⁵ as a percentage of AAUM	12.06%	6.47%	16.23%
VI.	Portfolio Turnover Ratio⁶	1.44%	4.37%	4.17%
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	13.56%	6.29%	18.73%
	Last 3 Years	12.75%	9.73%	12.08%
	Last 5 Years	11.18%	9.68%	10.70%
	Since Launch of the scheme (June 25, 2009)	10.20%	9.71%	10.32%

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

k) NPS Lite Scheme –Govt. Pattern:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	17.3997	16.4716	13.8027
	High	19.8860	17.3988	16.5402
	Low	17.3997	16.1959	13.6603
	End	19.7655	17.3988	16.4409
II.	Closing Asset Under Management (₹ In Crore)	746.12	595.19	453.36
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	696.09	525.78	350.06
IV.	Gross income³ as % of AAUM	12.83%	8.18%	17.21%
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	0.0260%	0.0248%	0.0205%
	b. Management Fee as % of AAUM	0.0117%	0.0116%	0.0114%
	c. Net Income ⁵ as a percentage of AAUM	12.35%	5.90%	16.57%
VI.	Portfolio Turnover Ratio⁶	1.66%	3.13%	3.06%
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	13.60%	5.81%	19.11%
	Last 3 Years	12.71%	9.75%	12.25%
	Last 5 Years	11.20%	10.19%	NA
	Since Launch of the scheme (October 4, 2010)	11.06%	10.61%	11.71%

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

I) Scheme – Atal Pension Yojana (APY):-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	10.6971	10.0000	NA
	High	12.3407	10.6936	NA
	Low	10.6971	10.0000	NA
	End	12.2169	10.6936	NA
II.	Closing Asset Under Management (₹ In Crore)	622.35	166.82	NA
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	385.72	50.65	NA
IV.	Gross income³ as % of AAUM	11.69%	11.32%	NA
V.	Expenses Ratio			NA
	a. Total Expenses ⁴ as % of AAUM	0.0265%	0.0312%	NA
	b. Management Fee as % of AAUM	0.0117%	0.0116%	NA
	c. Net Income ⁵ as a percentage of AAUM	10.87%	9.27%	NA
VI.	Portfolio Turnover Ratio⁶	0.17%	4.07%	NA
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	NA
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	14.24%	NA	NA
	Last 3 Years	NA	NA	NA
	Last 5 Years	NA	NA	NA
	Since Launch of the scheme (June 04, 2015)	11.60%	6.92%	NA

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

m) Scheme – Corporate CG:-

Sr. No.	Particulars	For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2015
I.	Net Asset Value (NAV¹) per unit (in ₹)			
	Open	10.0000	10.0000	11.1460
	High	10.0000	10.0000	11.1460
	Low	10.0000	10.0000	10.0000
	End	10.0000	10.0000	10.0000
II.	Closing Asset Under Management (₹ In Crore)	0.00	0.00	0.00
III.	Average Daily Net Assets (AAUM)² - ₹ In Crore	0.00	0.00	0.00
IV.	Gross income³ as % of AAUM	-	-	-
V.	Expenses Ratio			
	a. Total Expenses ⁴ as % of AAUM	-	-	-
	b. Management Fee as % of AAUM	-	-	-
	c. Net Income ⁵ as a percentage of AAUM	-	-	-
VI.	Portfolio Turnover Ratio⁶	-	-	-
VII.	Total Dividend per unit distributed during the year / period	Nil	Nil	Nil
VIII.	Returns (Compounded Annualised Growth Rate %)			
	Last 1 Year	NA	NA	NA
	Last 3 Years	NA	NA	NA
	Last 5 Years	NA	NA	NA
	Since Launch of the scheme (November 5, 2012)	NA	NA	NA

1. NAV = Market value of investments held by Scheme + Value of current assets – Value of current liabilities and provisions, if any / Number of units at the valuation date (before creation / redemption of units)

2. AAUM = Average Daily Net Asset

3. Gross Income = Interest Income, Dividend Income and Realised / unrealised gains

4. Total Expenses includes Management Fees, Custody Charges, Trustee Bank Charges but excludes Realised / Unrealised losses

5. Net Income = Total Income - Total Expenses and Losses

6. Portfolio Turnover = Lower of sales or purchases divided by the average AUM for the period. Investment in Liquid Mutual Funds is excluded from the turnover as the same is primarily for liquidity management.

10. Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2016-17

PFRDA had framed “Voting Policy on Assets held by the NPS Trust”. The Pension Fund Managers have been delegated the responsibility to exercise the voting rights on the assets held by NPS Schemes.

Further, NPS Trust has authorised PFMs to act as Co-coordinating PFM (on rotational basis for a period of three months by each PFM), for arriving at coordinated consensus on the voting decision to be exercised uniformly on behalf of NPS Trust.

Accordingly, UTI Retirement Solutions Limited had exercised the voting rights during FY 2016–17 in accordance with the Voting Policy of PFRDA and after arriving at the consensus of all other PFMs. The details of the voting may be viewed in our website.

11. Auditor’s Certificate on the Voting rights exercised by UTI Retirement Solutions

The Auditors’ Certificate on the proxy voting exercised during the FY 2016-17 is attached alongwith the Annual Report at Page No. 30 - 31.

12. Extracts of the Minutes of the Board Meeting

Extracts of the minutes of the Board meeting of UTI Retirement Solutions Limited for approving of Annual Report and Accounts of NPS Schemes managed by UTI Retirement Solutions Limited as on 31st March, 2017 is attached alongwith the Annual Report at Page No. 32–33.

For UTI Retirement Solutions Limited

Sd/-
Balram P. Bhagat
(Chief Executive Officer &
Whole Time Director)

Certificate

We have been requested by UTI Retirement Solutions Limited (the Pension Fund Manager), having its registered office at UTI Tower, 'Gn' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 to certify the voting reports disclosed on its website, in terms of '**Voting Policy on Assets held by NPS Trust**' issued by the Pension Fund Regulatory and Development Authority (PFRDA), for the purpose of onward submission to its Board and to the NPS Trust.

The compliance with the requirements of the Voting Policy is the responsibility of the Pension Fund Manager.

The following have been furnished to us by the Pension Fund Manager:

- 1) Quarterly voting reports on its website for Q1, Q2, Q3 and Q4 of the Financial Year 2016-17;
- 2) Voting data and supporting documents maintained by the Pension Fund Manager with respect to the voting reports disclosed; and
- 3) Written representation from the management with regard to the above.

We have verified, on a test basis the contents of the voting reports with the voting data and supporting documents maintained by the Pension Fund Manager.

We have performed our procedures in accordance with the Guidance Note on Audit Reports and Certificates for the Special Purposes issued by the Institute of Chartered Accounts of India ("ICAI").

Based on the procedures performed by us as stated above and according to the information, explanations and written representation provided to us by the Pension Fund Manager, we certify that:



- (i) Voting reports for Q1, Q2, Q3 and Q4 of the Financial Year 2016-17 disclosed on the website of Pension Fund Manager are in accordance with the format prescribed in the 'Voting Policy on Assets held by NPS Trust' issued by the Pension Fund Regulatory and Development Authority;
- (ii) Voting reports were disclosed on the website of UTI Retirement Solutions Limited on a quarterly basis; and
- (iii) Contents of the voting reports are matching with the supporting documents maintained by the Pension Fund Manager.


We have not reviewed:

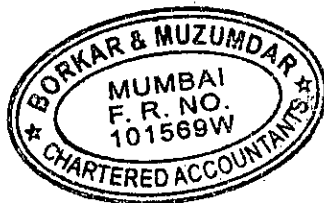
- (a) whether the voting reports cover all relevant investee Companies; and
- (b) the voting decisions taken by the Management of the Pension Fund Manager.

This Certificate is issued solely for the purpose of onward submission to the NPS Trust / PFRDA.

This Certificate may not be useful for any other purpose. M/s Borkar & Muzumdar shall not be liable to the Pension Fund Manager or any other concerned, for any claims, liabilities or expenses relating to this assignment.

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W


Devang Vaghani
Partner
M. No. - 109386
Date :
Place : Mumbai





UTI Retirement Solutions Limited

Combined Annual Audited Financial Statements Of Accounts of all the NPS Schemes As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

**NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2017**

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	23585 91 96 942	18359 07 91 789
Reserves and Surplus	2	28457 19 79 643	17559 26 55 549
Current Liabilities and Provisions	3	18 99 05 603	7 48 31 466
Total		52062 10 82 188	35925 82 78 804
<u>Assets</u>			
Investments	4	50861 77 53 018	35022 64 74 990
Deposits	5	60 00 00 000	90 00 00 000
Other Current Assets	6	1140 33 29 170	813 18 03 814
Total		52062 10 82 188	35925 82 78 804
(a) Net assets as per Balance Sheets		52043 11 76 585	35918 34 47 338
(b) Number of units outstanding		2358 59 19 694	1835 90 79 179
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

**For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants**

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
**Chief Executive Officer
& Whole Time Director**

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

**NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
COMBINED REVENUE ACCOUNT OF ALL SCHEMES FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		65 60 61 659	49 27 27 666
Interest		2985 54 13 766	2177 47 65 157
Profit on sale/redemption of investments		102 53 79 011	90 31 06 256
Profit on inter-scheme transfer/sale of investments		-	76 434
Unrealised gain on appreciation in investments		2428 67 84 547	238 85 85 215
Other income			
- Miscellaneous Income		1 317	2 00 572
Total Income (A)		5582 36 40 300	2555 94 61 300
Expenses and Losses			
Unrealized losses in value of investments		188 09 52 394	620 80 12 641
Loss on sale/redemption of investments		53 17 820	2 21 88 456
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		5 20 44 756	3 50 97 764
NPS Trust fees		4 43 73 866	1 37 76 985
Custodian fees		1 65 82 501	2 43 53 275
Depository and settlement charges		26 90 290	23 25 085
CRA Fees		11 08 28 604	8 01 54 937
Less: Amount recoverable on sale of units on account of CRA Charges		(11 08 28 604)	(8 01 54 937)
Other Expenses		-	-
Total Expenditure (B)		200 19 61 627	630 57 54 206
Surplus/(Deficit) for the year (A-B)		5382 16 78 673	1925 37 07 094
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(2240 58 32 153)	381 94 27 426
Less: Amount transferred (to) / from General Reserve		(3141 58 46 520)	(2307 31 34 520)
Amount carried forward to Balance Sheet		-	-

Significant Accounting Policies and Notes to Accounts

7

This is the Revenue Account referred to in our report of even date.

**For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants**

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
**Chief Executive Officer
& Whole Time Director**

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

**Shailesh V. Haribhakti
(Chairman, NPS Trust Board)**

**Kamal Chaudhry
(Chief Executive Officer)**

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Unit Capital		
Outstanding at the beginning of the year	18359 07 91 789	13366 97 92 659
Add :Units issued during the year	5352 38 52 513	5047 72 15 616
Less: Units redeemed during the year	(125 54 47 360)	(55 62 16 486)
Outstanding at the end of the year	23585 91 96 942	18359 07 91 789
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	1835 90 79 179	1336 69 79 266
Add :Units issued during the year	535 23 85 251	504 77 21 562
Less: Units redeemed during the year	(12 55 44 736)	(5 56 21 649)
Outstanding units at the end of the year	2358 59 19 694	1835 90 79 179

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	10259 41 83 765	6089 99 41 432
Add: Premium on Units issued	5647 50 21 844	4217 39 43 964
Less: Premium on Units redeemed	(131 73 76 423)	(47 97 01 631)
Add: Transfer from General Reserve	-	-
Closing Balance	15775 18 29 186	10259 41 83 765
General Reserve		
Opening Balance	6110 70 66 810	3803 39 32 290
Add: Transfer from Revenue Account	3141 58 46 520	2307 31 34 520
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	9252 29 13 330	6110 70 66 810
Unrealised Appreciation Reserve		
Opening Balance	1189 14 04 974	1571 08 32 400
Add/(Less): Transfer from/(to) Revenue Account	2240 58 32 153	(381 94 27 426)
Closing Balance	3429 72 37 127	1189 14 04 974
Total	28457 19 79 643	17559 26 55 549

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	4 51 02 832	3 68 78 732
Book Overdraft	-	-
Redemption Payable	14 43 42 596	1 94 50 865
TDS Payable	4 60 175	6 58 996
Contracts for purchase of investments	-	1 78 42 873
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	18 99 05 603	7 48 31 466

NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT MARCH 31, 2017

Schedule 4	As at March 31, 2017	As at March 31, 2016
	₹	₹
Investments (Long Term and Short Term)		
Equity Shares	7057 00 12 046	3770 12 27 087
Debentures and Bonds Listed/Awaiting Listing	18550 80 90 510	11654 37 08 607
Central and State Government Securities (including treasury bills)	24798 48 69 038	19105 60 12 947
Commercial Paper	-	-
Others - Mutual Fund Units	455 47 81 424	492 55 26 349
Total	50861 77 53 018	35022 64 74 990
Schedule 5	As at March 31, 2017	As at March 31, 2016
	₹	₹
Deposits		
Deposits with Scheduled Banks	60 00 00 000	90 00 00 000
Total	60 00 00 000	90 00 00 000
Schedule 6	As at March 31, 2017	As at March 31, 2016
	₹	₹
Other Current Assets		
Balances with bank in a current account	3 13 01 039	6 93 775
Contracts for sale of investments	-	1 54 26 346
Outstanding and accrued income	1137 20 28 131	811 56 78 344
Brokerage receivable from PFM	-	5 349
Application money pending allotment	-	-
Sundry Debtors	-	-
	1140 33 29 170	813 18 03 814

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 YEAR ENDED MARCH 31, 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 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.	31 st March, 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 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

- 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 31-03-17
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 ₹ 21.66 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.

Based on the confirmation from CRA the number of units as at the year-end are 23583923992.8392 and the balance 1995701.6127 have been identified as residual units with CRA.

Total 5928404.4775 Units are lying in the name of "CRA Unitisation Pooled PRAN" maintained by CRA. As explained by CRA, the subscribers have not been identified for the same. Moreover total 198953.4356 Units are lying in the name of "Central Govt. Suspense PRAN", "State Govt. Suspense PRAN" & "UOS Suspense PRAN" maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

- 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 ₹ 5,20,44,756/- (Previous Year ₹ 3,50,97,764/-) 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 ₹ 4,43,73,866/- (Previous Year ₹ 1,37,76,985/-).

- 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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
74,687.66	168.20	61,025.25	137.43	47,172.85	156.11	35,799.12	118.47

- 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 31st March, 2017 is ₹ 6,850.80 Crores (Previous Year ₹ 4,514.98 Crores).

J. Net Asset Value:

Sr. No.	Name of Scheme	Current Year	Previous Year
		As on 31st March, 2017 (in ₹)	As on 31st March, 2016 (in ₹)
1.	Scheme E – Tier I	23.9272	19.4648
2.	Scheme E – Tier II	19.4088	15.9037
3.	Scheme C – Tier I	21.1324	18.8617
4.	Scheme C – Tier II	20.1740	18.0689
5.	Scheme G – Tier I	19.5892	17.5443
6.	Scheme G – Tier II	20.0667	17.9231
7.	Scheme A – Tier I	10.2832	N.A.
8.	Scheme A – Tier II	10.2876	N.A.
9.	Scheme - Central Govt	23.8338	20.9739
10.	Scheme - State Govt.	21.2658	18.7273
11.	NPS Lite Scheme – Govt. Pattern	19.7655	17.3988
12.	Scheme - Corporate CG	10.0000	10.0000
13.	Atal Pension Yojana	12.2169	10.6936

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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
5,582.36	12.57	200.20	0.45	2,555.95	8.46	630.58	2.09

L. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan – Growth	₹ 60,090.08	₹ 455.45	₹ 17,498.64	₹ 492.18

N. Portfolio: Please refer scheme wise financials for industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2017.

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

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
M. No. - 109386
Date :
Place : Mumbai

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
Date : 25/04/2017
Place : Mumbai

Leo Puri
Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)
Date :
Place : Mumbai

Kamal Chaudhry
(Chief Executive Officer)



UTI Retirement Solutions Limited

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

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	54 18 20 572	30 82 20 740
Reserves and Surplus	2	75 46 07 009	29 17 25 921
Current Liabilities and Provisions	3	20 45 621	1 85 46 849
Total		129 84 73 202	61 84 93 510
<u>Assets</u>			
Investments	4	129 81 87 546	61 83 73 593
Deposits	5	-	-
Other Current Assets	6	2 85 656	1 19 917
Total		129 84 73 202	61 84 93 510
(a) Net assets as per Balance Sheets		129 64 27 581	59 99 46 661
(b) Number of units outstanding		5 41 82 057	3 08 22 074
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		1 03 54 881	58 60 879
Interest		-	398
Profit on sale/redemption of investments		43 72 776	24 46 173
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		18 91 01 708	1 87 19 215
Other income			
- Miscellaneous Income		237	1
Total Income (A)		20 38 29 602	2 70 26 666
Expenses and Losses			
Unrealized losses in value of investments		2 27 45 401	4 67 69 102
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		1 00 011	45 645
NPS Trust fees		86 966	18 319
Custodian fees		26 111	33 279
Depository and settlement charges		4 420	2 039
CRA Fees		23 25 005	11 34 430
Less: Amount recoverable on sale of units on account of CRA Charges		(23 25 005)	(11 34 430)
Other Expenses		-	-
Total Expenditure (B)		2 29 62 909	4 68 68 384
Surplus/(Deficit) for the year (A-B)		18 08 66 693	(1 98 41 718)
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(16 63 56 307)	2 80 49 887
Less: Amount transferred (to) / from General Reserve		(1 45 10 386)	(82 08 169)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Initial Capital*	231	231
Unit Capital		
Outstanding at the beginning of the year	30 82 20 740	16 69 15 972
Add :Units issued during the year	26 01 42 154	15 17 14 693
Less: Units redeemed during the year	(2 65 42 322)	(1 04 09 925)
Outstanding at the end of the year	54 18 20 572	30 82 20 740
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	3 08 22 074	1 66 91 597
Add :Units issued during the year	2 60 14 215	1 51 71 469
Less: Units redeemed during the year	(26 54 232)	(10 40 992)
Outstanding units at the end of the year	5 41 82 057	3 08 22 074

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	20 92 75 286	7 90 77 723
Add: Premium on Units issued	31 43 12 013	14 05 18 161
Less: Premium on Units redeemed	(3 22 97 618)	(1 03 20 598)
Add: Transfer from General Reserve	-	-
Closing Balance	49 12 89 681	20 92 75 286
General Reserve		
Opening Balance	3 03 46 215	2 21 38 046
Add: Transfer from Revenue Account	1 45 10 386	82 08 169
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	4 48 56 601	3 03 46 215
Unrealised Appreciation Account		
Opening Balance	5 21 04 420	8 01 54 307
Add/(Less): Transfer from/(to) Revenue Account	16 63 56 307	(2 80 49 887)
Closing Balance	21 84 60 727	5 21 04 420
Total	75 46 07 009	29 17 25 921

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	1 07 512	49 091
Book Overdraft	-	-
Redemption Payable	19 37 030	6 53 926
TDS Payable	1 079	959
Contract for Purchase of Investments	-	1 78 42 873
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	20 45 621	1 85 46 849

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017	As at March 31, 2016
	₹	₹
Investments (Long Term and Short Term)		
Equity Shares	125 04 09 225	57 38 89 920
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
Others - Mutual Fund Units	4 77 78 321	4 44 83 673
Total	129 81 87 546	61 83 73 593

Schedule 5	As at March 31, 2017	As at March 31, 2016
	₹	₹
Deposits		
Deposits with Scheduled Banks	-	-
Total	-	-

Schedule 6	As at March 31, 2017	As at March 31, 2016
	₹	₹
Other Current Assets		
Balances with bank in a current account	32 117	4 879
Contracts for sale of investments	-	-
Outstanding and accrued income	2 53 539	1 09 689
Brokerage receivable from PFM	-	5 349
Application money pending allotment	-	-
Sundry Debtors	-	-
Total	2 85 656	1 19 917

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
EQUITY SHARES				
MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO				
ITC LIMITED	226,570	63,507,571	4.90	5.08
		63,507,571	4.90	5.08
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
AUROBINDO PHARMA LTD.	13,400	9,047,680	0.70	0.72
CADILA HEALTHCARE LTD.	12,400	5,480,800	0.42	0.44
CIPLA LTD.	38,494	22,825,017	1.76	1.83
DIVIS LABORATORIES LTD.	10,526	6,566,645	0.51	0.53
DR. REDDYS LABORATORIES LTD.	5,278	13,893,543	1.07	1.11
LUPIN LTD.	10,625	15,355,250	1.18	1.23
SUN PHARMACEUTICAL INDUSTRIES LTD.	52,160	35,893,904	2.77	2.87
		109,062,840	8.41	8.73
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
HCL TECHNOLOGIES LIMITED	9,263	8,102,809	0.63	0.65
INFOSYS LTD.	52,931	54,108,715	4.17	4.33
TATA CONSULTANCY SERVICES LTD.	10,165	24,719,247	1.91	1.98
TECH MAHINDRA LTD.	20,650	9,481,448	0.73	0.76
WIPRO LTD.	7,444	3,838,871	0.30	0.31
		100,251,089	7.74	8.03
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	91,143	44,732,984	3.45	3.58
BANK OF BARODA	97,120	16,796,904	1.30	1.34
HDFC BANK LTD.	36,837	53,139,214	4.10	4.25
ICICI BANK LTD.	167,687	46,424,146	3.58	3.71
IDFC BANK LIMITED	14,936	885,705	0.07	0.07
INDUSIND BANK LTD.	13,167	18,764,950	1.45	1.50
KOTAK MAHINDRA BANK LTD.	45,772	39,922,338	3.08	3.19
PUNJAB NATIONAL BANK	3,627	543,687	0.04	0.04
STATE BANK OF INDIA	94,987	27,869,186	2.15	2.23
YES BANK	13,161	20,356,777	1.57	1.63
		269,435,892	20.79	21.54
MANUFACTURE OF CLINKERS AND CEMENT				
AMBUJA CEMENTS LTD.	156,907	37,132,042	2.86	2.97
ASSOCIATED CEMENT COMPANIES LTD.	14,475	20,931,574	1.61	1.67
ULTRATECH CEMENT LTD.	1,789	7,128,718	0.55	0.57
		65,192,333	5.02	5.21

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 YEAR ENDED MARCH 31, 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 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 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 Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 1,00,011	₹ 45,645

* 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.

Based on the confirmation from CRA the number of units as at the year end are 54182044.2223 and the balance 13.1059 have been identified as residual units with CRA.

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 Year	Current Year	Previous Year
0.01%	0.01%	₹ 86,966	₹ 18,319

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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
548.59	629.68	497.67	571.22	159.04	396.30	129.48	322.64

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 31st March, 2017 is ₹ NIL. (Previous Year ₹ NIL)

I. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2017	As on 31 st March, 2016
₹ 23.9272	₹ 19.4648

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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
20.38	23.40	2.30	2.64	2.70	6.73	4.69	11.68

K. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 496.48	₹ 4.78	₹ 78.25	₹ 4.45

M. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2017 is given in Annexure A.

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

For M/s Borkar & Muzumdar

For UTI Retirement Solutions Ltd.

Chartered Accountants

Firm Registration No.:101569W

Devang Vaghani

Balram P Bhagat

Leo Puri

Partner

Chief Executive Officer

Chairman & Director

M. No. - 109386

& Whole Time Director

Date :

Date :

Place : Mumbai

Place : Mumbai

For and on behalf of NPS Trust

Shailesh V. Haribhakti

Kamal Chaudhry

(Chairman, NPS Trust Board)

(Chief Executive Officer)

Date :

Place : Mumbai



UTI Retirement Solutions Limited

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

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	5 07 99 775	3 79 38 321
Reserves and Surplus	2	4 77 97 013	2 23 97 780
Current Liabilities and Provisions	3	1 62 285	9 311
Total		9 87 59 073	6 03 45 412
<u>Assets</u>			
Investments	4	9 87 45 546	6 03 30 552
Deposits	5	-	-
Other Current Assets	6	13 527	14 860
Total		9 87 59 073	6 03 45 412
(a) Net assets as per Balance Sheets		9 85 96 788	6 03 36 101
(b) Number of units outstanding		50 79 978	37 93 832
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		9 38 232	7 59 749
Interest		-	60
Profit on sale/redemption of investments		4 04 037	4 28 870
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1 59 76 889	16 86 579
Other income			
- Miscellaneous Income		223	-
Total Income (A)		1 73 19 381	28 75 258
Expenses and Losses			
Unrealized losses in value of investments		19 24 921	61 15 596
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		8 814	5 968
NPS Trust fees		7 664	2 262
Custodian fees		1 870	4 398
Depository and settlement charges		414	289
CRA Fees		22 638	13 881
Less: Amount recoverable on sale of units on account of CRA Charges		(22 638)	(13 881)
Other Expenses		-	-
Total Expenditure (B)		19 43 683	61 28 513
Surplus/(Deficit) for the year (A-B)		1 53 75 698	(32 53 255)
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1 40 51 968)	44 29 018
Less: Amount transferred (to) / from General Reserve		(13 23 730)	(11 75 763)
Amount carried forward to Balance Sheet		-	-

Significant Accounting Policies and Notes to Accounts

7

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Initial Capital*	481	481
Unit Capital		
Outstanding at the beginning of the year	3 79 38 321	2 84 97 458
Add :Units issued during the year	1 89 37 679	1 22 57 400
Less: Units redeemed during the year	(60 76 225)	(28 16 537)
Outstanding at the end of the year	5 07 99 775	3 79 38 321
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	37 93 832	28 49 746
Add :Units issued during the year	18 93 768	12 25 740
Less: Units redeemed during the year	(6 07 622)	(2 81 654)
Outstanding units at the end of the year	50 79 978	37 93 832

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	96 97 935	40 43 431
Add: Premium on Units issued	1 48 10 582	75 01 991
Less: Premium on Units redeemed	(47 87 047)	(18 47 487)
Add: Transfer from General Reserve	-	-
Closing Balance	1 97 21 470	96 97 935
General Reserve		
Opening Balance	44 71 454	32 95 691
Add: Transfer from Revenue Account	13 23 730	11 75 763
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	57 95 184	44 71 454
Unrealised Appreciation Account		
Opening Balance	82 28 391	1 26 57 409
Add/(Less): Transfer from/(to) Revenue Account	1 40 51 968	(44 29 018)
Closing Balance	2 22 80 359	82 28 391
Total	4 77 97 013	2 23 97 780

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	9 864	6 124
Book Overdraft	-	-
Redemption Payable	1 52 336	3 075
TDS Payable	85	112
Contract for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	1 62 285	9 311

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Investments (Long Term and Short Term)		
Equity Shares	9 63 59 005	5 85 65 328
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
Others - Mutual Fund Units	23 86 541	17 65 224
Total	9 87 45 546	6 03 30 552

Schedule 5	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Deposits		
Deposits with Scheduled Banks	-	-
	-	-

Schedule 6	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Other Current Assets		
Balances with bank in a current account	2 737	288
Contracts for sale of investments	-	-
Outstanding and accrued income	10 790	14 572
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Total	13 527	14 860

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
EQUITY SHARES				
MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO				
ITC LIMITED	18,132	5,082,400	5.15	5.27
		5,082,400	5.15	5.27
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
AUROBINDO PHARMA LTD.	290	195,808	0.20	0.20
CIPLA LTD.	1,726	1,023,432	1.04	1.06
DIVIS LABORATORIES LTD.	100	62,385	0.06	0.06
DR. REDDYS LABORATORIES LTD.	587	1,545,189	1.57	1.60
LUPIN LTD.	1,382	1,997,266	2.03	2.07
SUN PHARMACEUTICAL INDUSTRIES LTD.	3,614	2,486,974	2.52	2.58
		7,311,055	7.42	7.57
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
HCL TECHNOLOGIES LIMITED	1,180	1,032,205	1.05	1.07
INFOSYS LTD.	5,554	5,677,577	5.76	5.89
TATA CONSULTANCY SERVICES LTD.	1,359	3,304,816	3.35	3.43
TECH MAHINDRA LTD.	828	380,176	0.39	0.39
WIPRO LTD.	611	315,093	0.32	0.33
		10,709,867	10.87	11.11
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	4,828	2,369,582	2.40	2.46
BANK OF BARODA	9,470	1,637,837	1.66	1.70
HDFC BANK LTD.	2,845	4,104,055	4.16	4.26
ICICI BANK LTD.	13,345	3,694,563	3.75	3.83
INDUSIND BANK LTD.	1,836	2,616,575	2.65	2.72
KOTAK MAHINDRA BANK LTD.	3,845	3,353,609	3.40	3.48
PUNJAB NATIONAL BANK	1,753	262,775	0.27	0.27
STATE BANK OF INDIA	8,994	2,638,840	2.68	2.74
YES BANK	1,040	1,608,620	1.63	1.67
		22,286,456	22.60	23.13
MANUFACTURE OF OTHER PETROLEUM N.E.C. (INCLUDES MANUFACTURE OF PETROLEUM JELLY, MICRO-CRYSTALLINE PETROLEUM WAX, SLACK WAX, OZOKERITE, LIGNITE WAX, PETROLEUM COKE, PETROLEUM BITUMEN AND OTHER RESIDUES OF PETROLEUM OILS OR OF OILS OBTAINED FROM BITUMINOUS MINERALS)				
RELIANCE INDUSTRIES LTD.	3,732	4,929,599	5.00	5.12
		4,929,599	5.00	5.12

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 YEAR ENDED MARCH 31, 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 14th 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 Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	` 8,813	` 5,968

* 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.

Based on the confirmation from CRA the number of units as at the year end are 5079976.0255 and the balance 1.4894 have been identified as residual units with CRA.

- 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 Year	Current Year	Previous Year
0.01%	0.01%	₹ 7,664	₹ 2,262

- 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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
44.01	573.57	41.61	542.33	21.80	415.81	20.22	385.64

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 31st March, 2017 is ₹ NIL. (Previous Year ₹ NIL).

I. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2017	As on 31 st March, 2016
₹ 19.4088	₹ 15.9037

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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
1.73	22.57	0.19	2.53	0.29	5.48	0.61	11.69

K. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 41.55	₹ 0.24	₹ 11.18	₹ 0.18

M. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2017 is given in Annexure A.

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

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
M. No. - 109386
Date :
Place : Mumbai

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
Date :
Place : Mumbai

Leo Puri
Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)
Date :
Place : Mumbai

Kamal Chaudhry
(Chief Executive Officer)



UTI Retirement Solutions Limited

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

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	38 77 37 272	22 39 56 320
Reserves and Surplus	2	43 16 45 534	19 84 64 200
Current Liabilities and Provisions	3	10 99 758	5 46 386
Total		82 04 82 564	42 29 66 906
<u>Assets</u>			
Investments	4	79 59 74 259	41 04 69 714
Deposits	5	-	-
Other Current Assets	6	2 45 08 305	1 24 97 192
Total		82 04 82 564	42 29 66 906
(a) Net assets as per Balance Sheets		81 93 82 806	42 24 20 520
(b) Number of units outstanding		3 87 73 727	2 23 95 632
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		-	-
Interest		4 54 44 757	2 35 38 266
Profit on sale/redemption of investments		11 12 667	3 62 758
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1 75 42 722	23 30 267
Other income			
- Miscellaneous Income		-	1
Total Income (A)		6 41 00 146	2 62 31 292
Expenses and Losses			
Unrealized losses in value of investments		17 51 152	11 67 851
Loss on sale/redemption of investments		59 406	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		66 504	32 307
NPS Trust fees		57 827	13 464
Custodian fees		22 238	22 386
Depository and settlement charges		4 863	3 718
CRA Fees		14 54 280	7 64 758
Less: Amount recoverable on sale of units on account of CRA Charges		(14 54 280)	(7 64 758)
Other Expenses		-	-
Total Expenditure (B)		19 61 990	12 39 726
Surplus/(Deficit) for the year (A-B)		6 21 38 156	2 49 91 566
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1 57 91 570)	(11 62 416)
Less: Amount transferred (to) / from General Reserve		(4 63 46 586)	(2 38 29 150)
Amount carried forward to Balance Sheet		-	-

Significant Accounting Policies and Notes to Accounts

7

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Initial Capital*	138	138
Unit Capital		
Outstanding at the beginning of the year	22 39 56 320	13 23 49 497
Add :Units issued during the year	18 20 02 058	10 38 76 345
Less: Units redeemed during the year	(1 82 21 106)	(1 22 69 522)
Outstanding at the end of the year	38 77 37 272	22 39 56 320
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	2 23 95 632	1 32 34 950
Add :Units issued during the year	1 82 00 206	1 03 87 634
Less: Units redeemed during the year	(18 22 111)	(12 26 952)
Outstanding units at the end of the year	3 87 73 727	2 23 95 632

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	13 05 53 244	5 41 04 461
Add: Premium on Units issued	18 97 09 556	8 64 12 106
Less: Premium on Units redeemed	(1 86 66 378)	(99 63 323)
Add: Transfer from General Reserve	-	-
Closing Balance	30 15 96 422	13 05 53 244
General Reserve		
Opening Balance	5 73 62 938	3 35 33 788
Add: Transfer from Revenue Account	4 63 46 586	2 38 29 150
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	10 37 09 524	5 73 62 938
Unrealised Appreciation Account		
Opening Balance	1 05 48 018	93 85 602
Add: Transfer from Revenue Account	1 57 91 570	11 62 416
Closing Balance	2 63 39 588	1 05 48 018
Total	43 16 45 534	19 84 64 200

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	60 603	36 718
Book Overdraft	-	-
Redemption Payable	10 38 476	5 08 957
TDS Payable	679	711
Contract for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	10 99 758	5 46 386

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017	As at March 31, 2016
	₹	₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	77 60 73 045	39 21 43 387
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
Others - Mutual Fund Units	1 99 01 214	1 83 26 327
Total	79 59 74 259	41 04 69 714

Schedule 5	As at March 31, 2017	As at March 31, 2016
	₹	₹
Deposits		
Deposits with Scheduled Banks	-	-
	-	-

Schedule 6	As at March 31, 2017	As at March 31, 2016
	₹	₹
Other Current Assets		
Balances with bank in a current account	3 32 189	1 86 523
Contracts for sale of investments	-	-
Outstanding and accrued income	2 41 76 116	1 23 10 669
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Total	2 45 08 305	1 24 97 192

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
DEBENTURES & BONDS				
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	550,000	57,753,199	7.05	7.44
		57,753,199	7.05	7.44
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
EXPORT IMPORT BANK OF INDIA	460,000	48,032,489	5.86	6.19
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	90,000	9,022,096	1.10	1.16
		57,054,585	6.96	7.35
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	430,000	45,042,281	5.50	5.80
		45,042,281	5.50	5.80
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	570,000	58,713,858	7.17	7.57
HDFC BANK LTD.	100,000	10,223,190	1.25	1.32
ICICI BANK LTD.	490,000	51,849,132	6.33	6.68
IDFC BANK LIMITED	140,000	14,674,072	1.79	1.89
KOTAK MAHINDRA BANK LTD.	80,000	8,417,432	1.03	1.08
PUNJAB NATIONAL BANK	20,000	2,031,658	0.25	0.26
YES BANK	100,000	10,031,310	1.22	1.29
		155,940,652	19.04	20.09
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	280,000	29,008,043	3.54	3.74
LIC HOUSING FINANCE LTD.	710,000	73,604,848	8.98	9.48
PNB HOUSING FINANCE LIMITED	80,000	8,206,844	1.00	1.06
		110,819,735	13.52	14.28
OTHER CREDIT GRANTING				
CAN FIN HOMES LTD.	30,000	3,102,279	0.38	0.40
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	50,000	4,887,325	0.60	0.63
POWER FINANCE CORPORATION LTD.	480,000	49,361,073	6.02	6.36
RURAL ELECTRIFICATION CORPORATION LIMITED	710,000	73,385,516	8.96	9.46
		130,736,193	15.96	16.85

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 YEAR ENDED MARCH 31, 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 21st 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 31-03-17
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.

- 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.

Based on the confirmation from CRA the number of units as at the year end are 38773714.4102 and the balance 12.7655 have been identified as residual units with CRA

- 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 Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 66,503	₹ 32,307

* 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 Year	Current Year	Previous Year
0.01%	0.01%	₹ 57,827	₹ 13,464

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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
243.17	419.77	205.75	355.18	114.53	403.38	95.33	335.76

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 31st March, 2017 is ₹ 25.53 Crores. (Previous Year ₹ 11.60 Crores).

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2017	As on 31st March, 2016
₹ 21.1324	₹ 18.8617

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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
6.41	11.07	0.20	0.34	2.62	9.24	0.12	0.44

L. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 204.20	₹ 1.99	₹ 56.41	₹ 1.83

N. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2017 is given in Annexure A.

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

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
M. No. - 109386
Date :
Place : Mumbai

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
Date :
Place : Mumbai

Leo Puri
Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)
Date :
Place : Mumbai

Kamal Chaudhry
(Chief Executive Officer)



UTI Retirement Solutions Limited

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

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	3 31 34 013	2 53 87 262
Reserves and Surplus	2	3 37 10 695	2 04 84 966
Current Liabilities and Provisions	3	1 13 784	9 364
Total		6 69 58 492	4 58 81 592
<u>Assets</u>			
Investments	4	6 46 43 930	4 42 83 800
Deposits	5	-	-
Other Current Assets	6	23 14 562	15 97 792
Total		6 69 58 492	4 58 81 592
(a) Net assets as per Balance Sheets		6 68 44 708	4 58 72 228
(b) Number of units outstanding		33 13 401	25 38 726
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		-	-
Interest		43 30 364	31 36 180
Profit on sale/redemption of investments		1 04 495	92 435
Profit on inter-scheme transfer/sale of investments		-	28 957
Unrealized gain on appreciation in investments		15 21 705	2 52 572
Other income			
- Miscellaneous Income		-	1
Total Income (A)		59 56 564	35 10 145
Expenses and Losses			
Unrealized losses in value of investments		1 60 376	3 04 370
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		6 362	4 357
NPS Trust fees		5 534	1 755
Custodian fees		2 153	2 937
Depository and settlement charges		774	729
CRA Fees		13 862	9 163
Less: Amount recoverable on sale of units on account of CRA Charges		(13 862)	(9 163)
Other Expenses		-	-
Total Expenditure (B)		1 75 199	3 14 148
Surplus/(Deficit) for the year (A-B)		57 81 365	31 95 997
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(13 61 329)	51 798
Less: Amount transferred (to) / from General Reserve		(44 20 036)	(32 47 795)
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Initial Capital*	38	38
Unit Capital		
Outstanding at the beginning of the year	2 53 87 262	1 95 39 408
Add :Units issued during the year	1 23 54 035	81 19 606
Less: Units redeemed during the year	(46 07 284)	(22 71 752)
Outstanding at the end of the year	3 31 34 013	2 53 87 262
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	25 38 726	19 53 941
Add :Units issued during the year	12 35 403	8 11 961
Less: Units redeemed during the year	(4 60 728)	(2 27 175)
Outstanding units at the end of the year	33 13 401	25 38 726

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	1 01 84 506	58 73 766
Add: Premium on Units issued	1 17 20 629	59 51 574
Less: Premium on Units redeemed	(42 76 265)	(16 40 834)
Add: Transfer from General Reserve	-	-
Closing Balance	1 76 28 870	1 01 84 506
General Reserve		
Opening Balance	89 93 425	57 45 630
Add: Transfer from/(to) Revenue Account	44 20 036	32 47 795
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	1 34 13 461	89 93 425
Unrealised Appreciation Account		
Opening Balance	13 07 035	13 58 833
Add/(Less): Transfer from/(to) Revenue Account	13 61 329	(51 798)
Closing Balance	26 68 364	13 07 035
Total	3 37 10 695	2 04 84 966

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	5 915	4 896
Book Overdraft	-	-
Redemption Payable	1 07 811	4 379
TDS Payable	58	89
Contract for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	1 13 784	9 364

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017	As at March 31, 2016
	₹	₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	6 31 12 524	4 34 56 586
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
Others - Mutual Fund Units	15 31 406	8 27 214
Total	6 46 43 930	4 42 83 800
Schedule 5	As at March 31, 2017	As at March 31, 2016
	₹	₹
Deposits		
Deposits with Scheduled Banks	-	-
	-	-
Schedule 6	As at March 31, 2017	As at March 31, 2016
	₹	₹
Other Current Assets		
Balances with bank in a current account	2 08 908	1 59 718
Contracts for sale of investments	-	-
Outstanding and accrued income	21 05 654	14 38 074
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Total	23 14 562	15 97 792

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
DEBENTURES & BONDS				
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	50,000	5,383,092	8.05	8.53
		5,383,092	8.05	8.53
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	40,000	4,340,517	6.49	6.88
		4,340,517	6.49	6.88
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	10,000	1,038,287	1.55	1.65
LIC HOUSING FINANCE LTD.	30,000	3,120,948	4.67	4.95
PNB HOUSING FINANCE LIMITED	30,000	3,075,457	4.60	4.87
		7,234,692	10.82	11.47
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	30,000	3,189,006	4.77	5.05
HDFC BANK LTD.	20,000	2,044,638	3.06	3.24
ICICI BANK LTD.	50,000	5,260,204	7.87	8.33
IDFC BANK LIMITED	10,000	1,056,152	1.58	1.67
KOTAK MAHINDRA BANK LTD.	10,000	1,052,179	1.57	1.67
		12,602,179	18.85	19.96
OTHER CREDIT GRANTING				
POWER FINANCE CORPORATION LTD.	50,000	5,233,360	7.83	8.29
RURAL ELECTRIFICATION CORPORATION LIMITED	50,000	5,236,029	7.83	8.30
		10,469,389	15.66	16.59

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 YEAR ENDED MARCH 31, 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 14th 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 31-03-17
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.

- 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.

Based on the confirmation from CRA the number of units as at the year end are 3313399.8771 and the balance 1.4366 have been identified as residual units with CRA

- 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 Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 6,362	₹ 4,357

* 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 Year	Current Year	Previous Year
0.01%	0.01%	₹ 5,534	₹ 1,755

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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
20.06	361.98	18.15	327.61	10.90	284.87	9.59	250.57

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 31st March, 2017 is ₹ 2.34 Crores. (Previous Year ₹ 1.66 Crore).

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2017	As on 31st March, 2016
₹ 20.1740	₹ 18.0689

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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
0.60	10.75	0.02	0.32	0.35	9.17	0.03	0.82

L. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 18.11	₹ 0.15	₹ 4.62	₹ 0.08

N. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2017 is given in Annexure A.

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

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
M. No. - 109386
Date :
Place : Mumbai

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
Date :
Place : Mumbai

Leo Puri
Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)
Date :
Place : Mumbai

Kamal Chaudhry
(Chief Executive Officer)



UTI Retirement Solutions Limited

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

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	62 73 83 134	35 76 95 388
Reserves and Surplus	2	60 16 14 798	26 98 57 007
Current Liabilities and Provisions	3	25 33 532	11 63 816
Total		123 15 31 464	62 87 16 211
<u>Assets</u>			
Investments	4	121 13 00 431	61 90 65 672
Deposits	5	-	-
Other Current Assets	6	2 02 31 033	96 50 539
Total		123 15 31 464	62 87 16 211
(a) Net assets as per Balance Sheets		122 89 97 932	62 75 52 395
(b) Number of units outstanding		6 27 38 314	3 57 69 539
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		-	-
Interest		6 38 95 677	3 29 30 815
Profit on sale/redemption of investments		65 01 645	27 52 043
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1 80 84 697	29 12 898
Other income			
- Miscellaneous Income		-	-
Total Income (A)		8 84 82 019	3 85 95 756
Expenses and Losses			
Unrealized losses in value of investments		37 84 441	56 23 824
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		1 00 124	47 760
NPS Trust fees		87 066	19 686
Custodian fees		33 049	33 828
Depository and settlement charges		13 175	6 864
CRA Fees		22 21 433	11 50 389
Less: Amount recoverable on sale of units on account of CRA Charges		(22 21 433)	(11 50 389)
Other Expenses		-	-
Total Expenditure (B)		40 17 855	57 31 962
Surplus/(Deficit) for the year (A-B)		8 44 64 164	3 28 63 794
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1 43 00 256)	27 10 926
Less: Amount transferred (to) / from General Reserve		(7 01 63 908)	(3 55 74 720)
Amount carried forward to Balance Sheet		-	-

Significant Accounting Policies and Notes to Accounts

7

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Initial Capital*	92	92
Unit Capital		
Outstanding at the beginning of the year	35 76 95 388	20 93 27 599
Add :Units issued during the year	30 14 72 147	16 20 98 706
Less: Units redeemed during the year	(3 17 84 401)	(1 37 30 917)
Outstanding at the end of the year	62 73 83 134	35 76 95 388
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	3 57 69 539	2 09 32 760
Add :Units issued during the year	3 01 47 215	1 62 09 871
Less: Units redeemed during the year	(31 78 440)	(13 73 092)
Outstanding units at the end of the year	6 27 38 314	3 57 69 539

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	17 12 98 434	6 77 06 087
Add: Premium on Units issued	27 58 41 930	11 30 38 291
Less: Premium on Units redeemed	(2 85 48 303)	(94 45 944)
Add: Transfer from General Reserve	-	-
Closing Balance	41 85 92 061	17 12 98 434
General Reserve		
Opening Balance	8 25 87 214	4 70 12 494
Add: Transfer from Revenue Account	7 01 63 908	3 55 74 720
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	15 27 51 122	8 25 87 214
Unrealised Appreciation Account		
Opening Balance	1 59 71 359	1 86 82 285
Add/(Less): Transfer from/(to) Revenue Account	1 43 00 256	(27 10 926)
Closing Balance	3 02 71 615	1 59 71 359
Total	60 16 14 798	26 98 57 007

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	95 918	55 667
Book Overdraft	-	-
Redemption Payable	24 36 599	11 07 040
TDS Payable	1 015	1 109
Contract for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	25 33 532	11 63 816

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	117 35 72 523	59 03 31 265
Commercial Paper	-	-
Others - Mutual Fund Units	3 77 27 908	2 87 34 407
Total	121 13 00 431	61 90 65 672

Schedule 5	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Deposits		
Deposits with Scheduled Banks	-	-
	-	-

Schedule 6	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Other Current Assets		
Balances with bank in a current account	-	-
Contracts for sale of investments	-	-
Outstanding and accrued income	2 02 31 033	96 50 539
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Total	2 02 31 033	96 50 539

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 YEAR ENDED MARCH 31, 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 21st 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:

- 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 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 31-03-17
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 ₹ 0.18 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.

Based on the confirmation from CRA the number of units as at the year end are 62738298.8516 and the balance 14.5795 have been identified as residual units with CRA

Total 0.0018 Units are lying in the name of "UOS Suspense PRAN" maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

- 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 Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 1,00,124	₹ 47,760

* 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 Year	Current Year	Previous Year
0.01%	0.01%	₹ 87,065	₹ 19,686

- 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:

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
340.78	390.70	282.67	324.08	127.27	303.21	98.70	235.15

₹ in Crores

- 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 31st March, 2017 is ₹ NIL. (Previous Year ₹ NIL)

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2017	As on 31st March, 2016
₹ 19.5892	₹ 17.5443

- 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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
8.85	10.14	0.40	0.46	3.86	9.20	0.57	1.37

L. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 269.80	₹ 3.77	₹ 72.08	₹ 2.87

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

For M/s Borkar & Muzumdar

Chartered Accountants

Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani

Partner

M. No. - 109386

Date :

Place : Mumbai

Balram P Bhagat

Chief Executive Officer

& Whole Time Director

Date :

Place : Mumbai

Leo Puri

Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti

(Chairman, NPS Trust Board)

Date :

Place : Mumbai

Kamal Chaudhry

(Chief Executive Officer)



UTI Retirement Solutions Limited

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

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	4 06 32 143	2 85 43 461
Reserves and Surplus	2	4 09 03 494	2 26 15 402
Current Liabilities and Provisions	3	3 43 367	8 861
Total		8 18 79 004	5 11 67 724
<u>Assets</u>			
Investments	4	8 05 32 028	5 02 93 505
Deposits	5	-	-
Other Current Assets	6	13 46 976	8 74 219
Total		8 18 79 004	5 11 67 724
(a) Net assets as per Balance Sheets		8 15 35 637	5 11 58 863
(b) Number of units outstanding		40 63 213	28 54 345
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		-	-
Interest		48 36 092	34 61 697
Profit on sale/redemption of investments		1 86 256	2 79 375
Profit on inter-scheme transfer/sale of investments		-	47 477
Unrealized gain on appreciation in investments		17 73 013	1 61 493
Other income			
- Miscellaneous Income		-	12
Total Income (A)		67 95 361	39 50 054
Expenses and Losses			
Unrealized losses in value of investments		2 62 859	6 92 088
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		7 563	5 009
NPS Trust fees		6 575	1 963
Custodian fees		2 491	3 557
Depository and settlement charges		1 652	1 349
CRA Fees		16 271	10 200
Less: Amount recoverable on sale of units on account of CRA Charges		(16 271)	(10 200)
Other Expenses		-	-
Total Expenditure (B)		2 81 140	7 03 966
Surplus/(Deficit) for the year (A-B)		65 14 221	32 46 088
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(15 10 154)	5 30 595
Less: Amount transferred (to) / from General Reserve		(50 04 067)	(37 76 683)
Amount carried forward to Balance Sheet		-	-

Significant Accounting Policies and Notes to Accounts

7

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017	As at March 31, 2016
	₹	₹
Initial Capital*	96	96
Unit Capital		
Outstanding at the beginning of the year	2 85 43 461	2 31 67 935
Add :Units issued during the year	1 58 07 920	97 45 694
Less: Units redeemed during the year	(37 19 238)	(43 70 168)
Outstanding at the end of the year	4 06 32 143	2 85 43 461
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	28 54 345	23 16 793
Add :Units issued during the year	15 80 792	9 74 569
Less: Units redeemed during the year	(3 71 924)	(4 37 017)
Outstanding units at the end of the year	40 63 213	28 54 345

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017	As at March 31, 2016
	₹	₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	1 22 71 531	84 39 929
Add: Premium on Units issued	1 53 55 820	69 13 280
Less: Premium on Units redeemed	(35 81 949)	(30 81 678)
Add: Transfer from General Reserve	-	-
Closing Balance	2 40 45 402	1 22 71 531
General Reserve		
Opening Balance	92 76 449	54 99 766
Add: Transfer from Revenue Account	50 04 067	37 76 683
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	1 42 80 516	92 76 449
Unrealised Appreciation Account		
Opening Balance	10 67 422	15 98 017
Add/(Less): Transfer from/(to) Revenue Account	15 10 154	(5 30 595)
Closing Balance	25 77 576	10 67 422
Total	4 09 03 494	2 26 15 402

Schedule 3	As at March 31, 2017	As at March 31, 2016
	₹	₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	7 698	5 956
Book Overdraft	-	-
Redemption Payable	3 35 599	2 805
TDS Payable	70	100
Contract for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	3 43 367	8 861

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	7 86 20 552	4 95 96 973
Commercial Paper	-	-
Others - Mutual Fund Units	19 11 476	6 96 532
Total	8 05 32 028	5 02 93 505

Schedule 5	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Deposits		
Deposits with Scheduled Banks	-	-
	-	-

Schedule 6	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Other Current Assets		
Balances with bank in a current account	1	1
Contracts for sale of investments	-	-
Outstanding and accrued income	13 46 975	8 74 218
Balances with bank in a current account	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Total	13 46 976	8 74 219

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 YEAR ENDED MARCH 31, 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 14th 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 31-03-17
1. Valuation of G- sec at YTM based on	They are being valued at average of price	The Market Value derived as per valuation policy is

prevailing market prices (FIMMDA).	given by CRISIL and ICRA	lower by ₹ 67,132.83.
------------------------------------	--------------------------	-----------------------

- 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.

Based on the confirmation from CRA the number of units as at the year end are 4063212.7131 and the balance 1.5968 have been identified as residual units with CRA

- 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 Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 7,563	₹ 5,009

* 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 Year	Current Year	Previous Year
0.01%	0.01%	₹ 6,575	₹ 1,963

- 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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
21.28	323.23	18.38	279.21	8.88	201.80	7.61	173.04

- 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 31st March, 2017 is ₹ NIL. (Previous Year ₹ NIL)

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2017	As on 31 st March, 2016
₹ 20.0667	₹ 17.9231

- 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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
0.68	10.32	0.03	0.43	0.40	8.98	0.07	1.60

L. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 18.29	₹ 0.19	₹ 4.13	₹ 0.07

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

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani

Partner

M. No. - 109386

Date :

Place : Mumbai

Balram P Bhagat

Chief Executive Officer

& Whole Time Director

Date :

Place : Mumbai

Leo Puri

Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Date :

Place : Mumbai

Kamal Chaudhry
(Chief Executive Officer)



Retirement Solutions

UTI Retirement Solutions Limited

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

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I
BALANCE SHEET AS AT MARCH 31, 2017

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

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Period ended March 31, 2017 ₹
Income		
Dividend		-
Interest		-
Profit on sale/redemption of investments		4 888
Profit on inter-scheme transfer/sale of investments		-
Unrealized gain on appreciation in investments		1
Other income		
- Miscellaneous Income		-
Total Income (A)		4 889
Expenses and Losses		
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)		8
NPS Trust fees		7
Custodian fees		-
Depository and settlement charges		-
CRA Fees		1 105
Less: Amount recoverable on sale of units on account of CRA Charges		(1 105)
Other Expenses		-
Total Expenditure (B)		15
Surplus/(Deficit) for the year (A-B)		4 874
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1)
Less: Amount transferred (to) / from General Reserve		(4 873)
Amount carried forward to Balance Sheet		-
Significant Accounting Policies and Notes to Accounts	7	

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	No.	As at March 31, 2017 ₹
Initial Capital*		50
Unit Capital		
Outstanding at the beginning of the year		-
Add :Units issued during the year		5 41 964
Less: Units redeemed during the year		(3 244)
Outstanding at the end of the year		5 38 720
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year		-
Add :Units issued during the year		54 196
Less: Units redeemed during the year		(324)
Outstanding units at the end of the year		53 872

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹
Reserves and Surplus	
Unit Premium Reserve	
Opening Balance	-
Add: Premium on Units issued	10 440
Less: Premium on Units redeemed	(54)
Add: Transfer from General Reserve	-
Closing Balance	10 386
General Reserve	
Opening Balance	-
Add: Transfer from Revenue Account	4 873
Less: Transfer to Unit Premium Reserve	-
Closing Balance	4 873
Unrealised Appreciation Account	
Opening Balance	-
Add/(Less): Transfer from/(to) Revenue Account	1
Closing Balance	1
Total	15 260

Schedule 3	As at March 31, 2017 ₹
Current Liabilities and Provisions	
Current Liabilities	
Sundry Creditors for expenses	13
Book Overdraft	-
Redemption Payable	-
TDS Payable	-
Contracts for purchase of investments	-
Amount Payable to Other Schemes	-
Provision for Interest overdue	-
Interest received in Advance	-
Total	13

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017 ₹
Investments (Long Term and Short Term)	
Equity Shares	-
Debentures and Bonds Listed/Awaiting Listing	-
Central and State Government Securities (including treasury bills)	-
Commercial Paper	-
Others - Mutual Fund Units	5 53 993
Total	5 53 993

Schedule 5	As at March 31, 2017 ₹
Deposits	
Deposits with Scheduled Banks	-
	-

Schedule 6	As at March 31, 2017 ₹
Other Current Assets	
Balances with bank in a current account	-
Contracts for sale of investments	-
Outstanding and accrued income	-
Balances with bank in a current account	-
Application money pending allotment	-
Sundry Debtors	-
Total	-

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 PERIOD ENDED MARCH 31, 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 14th 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.

Based on the confirmation from CRA the number of units as at the year end are 53872.0285 and the balance 0.0173 have been identified as residual units with CRA.

- 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:

Current Period	
Management Fees % p.a.*	Management Fees
0.01%	₹ 8

* 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:

Percentage	Amount
0.01%	₹ 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			
Purchase	%	Sales	%
1.81	24099.90	1.76	23370.02

- 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 31st March, 2017 is ` NIL.

- I. Net Asset Value:** Net Assets Value of the Scheme as on 31st March 2017 is ₹10.2832.

- 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			
Income		Expenditure	
₹	%	₹	%
4,889.49	6.50	15.49	0.02

K. Other disclosures:

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

L. 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	
	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 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 31st March, 2017 is Nil.

For M/s Borkar & Muzumdar

For UTI Retirement Solutions Ltd.

Chartered Accountants

Firm Registration No.:101569W

Devang Vaghani

Balram P Bhagat

Leo Puri

Partner

Chief Executive Officer

Chairman & Director

M. No. - 109386

& Whole Time Director

Date :

Date :

Place : Mumbai

Place : Mumbai

For and on behalf of NPS Trust

Shailesh V. Haribhakti

Kamal Chaudhry

(Chairman, NPS Trust Board)

(Chief Executive Officer)

Date :

Place : Mumbai



UTI Retirement Solutions Limited

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

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II
BALANCE SHEET AS AT MARCH 31, 2017

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

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Period ended March 31, 2017 ₹
Income		
Dividend		-
Interest		-
Profit on sale/redemption of investments		499
Profit on inter-scheme transfer/sale of investments		-
Unrealized gain on appreciation in investments		1
Other income		
- Miscellaneous Income		-
Total Income (A)		500
Expenses and Losses		
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
NPS Trust fees		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		-
Total Expenditure (B)		2
Surplus/(Deficit) for the year (A-B)		498
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1)
Less: Amount transferred (to) / from General Reserve		(497)
Amount carried forward to Balance Sheet		-
Significant Accounting Policies and Notes to Accounts	7	

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹
Initial Capital*	40
Unit Capital	
Outstanding at the beginning of the year	-
Add :Units issued during the year	40 716
Less: Units redeemed during the year	(480)
Outstanding at the end of the year	40 236
(Face Value of Rs.10/- each unit, fully paid up)	
Outstanding units at the beginning of the year	-
Add :Units issued during the year	4 072
Less: Units redeemed during the year	(48)
Outstanding units at the end of the year	4 024

* Represents capital on the date of commencement of scheme

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

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

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017 ₹
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Investments (Long Term and Short Term)

Equity Shares	-
Debentures and Bonds Listed/Awaiting Listing	-
Central and State Government Securities (including treasury bills)	-
Commercial Paper	-
Others - Mutual Fund Units	41 424
Total	41 424

Schedule 5	As at March 31, 2017 ₹
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Deposits

Deposits with Scheduled Banks	-
	-

Schedule 6	As at March 31, 2017 ₹
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Other Current Assets

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	-
Receivable from other scheme	-
Total	1

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 PERIOD ENDED MARCH 31, 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 20th 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.

Based on the confirmation from CRA the number of units as at the year end are 4023.5979 and the balance 0.0038 have been identified as residual units with CRA.

- 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:

Current Period	
Management Fees % p.a.*	Management Fees
0.01%	₹ 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:

Percentage	Amount
0.01%	₹ 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			
Purchase	%	Sales	%
0.18	23,978.14	0.18	23,439.44

- 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 31st March, 2017 is ₹ NIL.

- I. Net Asset Value:** Net Assets Value of the Scheme as on 31st March 2017 is ₹ 10.2876.

- 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			
Income		Expenditure	
₹	%	₹	%
500.26	6.59	1.89	0.02

K. Other disclosures:

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

L. 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	
	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 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 31st March, 2017 is Nil.

For M/s Borkar & Muzumdar

For UTI Retirement Solutions Ltd.

Chartered Accountants

Firm Registration No.:101569W

Devang Vaghani

Balram P Bhagat

Leo Puri

Partner

Chief Executive Officer

Chairman & Director

M. No. - 109386

& Whole Time Director

Date :

Date :

Place : Mumbai

Place : Mumbai

For and on behalf of NPS Trust

Shailesh V. Haribhakti

Kamal Chaudhry

(Chairman, NPS Trust Board)

(Chief Executive Officer)

Date :

Place : Mumbai



UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions
Pension Fund Scheme Central Govt.

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	9352 72 51 372	7613 88 38 794
Reserves and Surplus	2	12938 42 53 921	8355 42 19 333
Current Liabilities and Provisions	3	3 03 53 270	2 20 86 806
Total		22294 18 58 563	15971 51 44 933
<u>Assets</u>			
Investments	4	21769 62 86 079	15541 50 31 333
Deposits	5	20 00 00 000	50 00 00 000
Other Current Assets	6	504 55 72 484	380 01 13 600
Total		22294 18 58 563	15971 51 44 933
(a) Net assets as per Balance Sheets		22291 15 05 293	15969 30 58 127
(b) Number of units outstanding		935 27 25 137	761 38 83 879
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		29 67 25 114	24 01 83 830
Interest		1304 36 86 270	1007 07 32 391
Profit on sale/redemption of investments		51 99 67 616	43 74 32 681
Profit on inter-scheme transfer/sale of investments		-	-
Unrealised gain on appreciation in investments		1056 06 61 975	106 48 00 582
Other income			
- Miscellaneous Income		69	237
Total Income (A)		2442 10 41 044	1181 31 49 721
Expenses and Losses			
Unrealized losses in value of investments		82 16 61 469	298 70 63 559
Loss on sale/redemption of investments		41 15 354	1 67 51 207
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		2 26 57 573	1 62 09 043
NPS Trust fees		1 93 15 921	62 29 295
Custodian fees		71 66 734	1 12 49 122
Depository and settlement charges		11 34 895	9 97 844
CRA Fees		34 551	14 551
Less: Amount recoverable on sale of units on account of CRA Charges		(34 551)	(14 551)
Other Expenses		-	-
Total Expenditure (B)		87 60 51 946	303 85 00 070
Surplus/(Deficit) for the year (A-B)		2354 49 89 098	877 46 49 651
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(973 90 00 506)	192 22 62 977
Less: Amount transferred (to) / from General Reserve		(1380 59 88 592)	(1069 69 12 628)
Amount carried forward to Balance Sheet		-	-

Significant Accounting Policies and Notes to Accounts

7

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Initial Capital*	296 11 57 465	296 11 57 465
Unit Capital		
Outstanding at the beginning of the year	7613 88 38 794	6180 15 91 838
Add :Units issued during the year	1778 13 93 953	1455 45 37 561
Less: Units redeemed during the year	(39 29 81 375)	(21 72 90 605)
Outstanding at the end of the year	9352 72 51 372	7613 88 38 794
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	761 38 83 879	618 01 59 184
Add :Units issued during the year	177 81 39 395	145 54 53 756
Less: Units redeemed during the year	(3 92 98 137)	(2 17 29 061)
Outstanding units at the end of the year	935 27 25 137	761 38 83 879

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	4363 54 39 891	2906 47 01 745
Add: Premium on Units issued	2278 60 00 878	1479 25 52 642
Less: Premium on Units redeemed	(50 09 55 388)	(22 18 14 496)
Add: Transfer from General Reserve	-	-
Closing Balance	6592 04 85 381	4363 54 39 891
General Reserve		
Opening Balance	3399 77 56 879	2330 08 44 251
Add: Transfer from Revenue Account	1380 59 88 592	1069 69 12 628
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	4780 37 45 471	3399 77 56 879
Unrealised Appreciation Reserve		
Opening Balance	592 10 22 563	784 32 85 540
Add/(Less): Transfer from/(to) Revenue Account	973 90 00 506	(192 22 62 977)
Closing Balance	1566 00 23 069	592 10 22 563
Total	12938 42 53 921	8355 42 19 333

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	1 95 35 766	1 66 84 827
Book Overdraft	-	-
Redemption Payable	1 06 19 331	51 05 448
TDS Payable	1 98 173	2 96 531
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	3 03 53 270	2 20 86 806

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Investments (Long Term and Short Term)		
Equity Shares	3053 16 47 718	1703 06 52 163
Debentures and Bonds Listed/Awaiting Listing	7964 81 95 835	5199 26 63 717
Central and State Government Securities (including treasury bills)	10606 27 19 633	8519 77 50 504
Commercial Paper	-	-
Others - Mutual Fund Units	145 37 22 893	119 39 64 949
Total	21769 62 86 079	15541 50 31 333

Schedule 5	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Deposits		
Deposits with Scheduled Banks	20 00 00 000	50 00 00 000
Total	20 00 00 000	50 00 00 000

Schedule 6	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Other Current Assets		
Balances with bank in a current account	2 43 15 222	1
Contracts for sale of investments	-	-
Outstanding and accrued income	502 12 57 262	380 01 13 599
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
	504 55 72 484	380 01 13 600

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
EQUITY SHARES				
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
AUROBINDO PHARMA LTD.	207,000	139,766,400	0.06	0.46
CADILA HEALTHCARE LTD.	310,892	137,414,264	0.06	0.45
CIPLA LTD.	451,742	267,860,419	0.12	0.88
DIVIS LABORATORIES LTD.	270,203	168,566,142	0.08	0.55
DR. REDDYS LABORATORIES LTD.	98,043	258,083,491	0.12	0.85
LUPIN LTD.	360,735	521,334,222	0.23	1.71
SUN PHARMACEUTICAL INDUSTRIES LTD.	1,051,073	723,295,885	0.32	2.37
		2,216,320,822	0.99	7.27
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
HCL TECHNOLOGIES LIMITED	292,576	255,930,856	0.11	0.84
INFOSYS LTD.	1,233,744	1,261,194,804	0.57	4.13
TATA CONSULTANCY SERVICES LTD.	311,015	756,326,277	0.34	2.48
TECH MAHINDRA LTD.	120,800	55,465,320	0.02	0.18
WIPRO LTD.	333,039	171,748,212	0.08	0.56
		2,500,665,469	1.12	8.19
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ALLAHABAD BANK	71,031	5,217,227	0.00	0.02
ANDHRA BANK	34,370	1,991,742	0.00	0.01
AXIS BANK LTD.	1,755,745	861,719,646	0.39	2.82
BANK OF BARODA	2,713,135	469,236,698	0.21	1.54
FEDERAL BANK LTD.	2,608,050	238,506,173	0.11	0.78
HDFC BANK LTD.	1,016,478	1,466,320,339	0.66	4.80
ICICI BANK LTD.	5,134,075	1,421,368,664	0.64	4.66
IDFC BANK LIMITED	1,886,722	111,882,615	0.05	0.37
INDUSIND BANK LTD.	378,005	538,713,826	0.24	1.76
KOTAK MAHINDRA BANK LTD.	770,906	672,384,213	0.30	2.20
ORIENTAL BANK OF COMMERCE	73,650	10,373,603	0.00	0.03
PUNJAB NATIONAL BANK	749,890	112,408,511	0.05	0.37
STATE BANK OF INDIA	3,172,413	930,785,974	0.42	3.05
UCO BANK	73,650	2,662,448	0.00	0.01
UNION BANK OF INDIA	239,208	37,292,527	0.02	0.12
YES BANK	162,545	251,416,479	0.11	0.82
		7,132,280,683	3.20	23.36
DEBENTURES & BONDS				
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	66,230,000	6,876,441,388	3.08	8.63
		6,876,441,388	3.08	8.63
OTHER FINANCIAL SERVICE ACTIVITIES, EXCEPT INSURANCE AND PENSION FUNDING ACTIVITIES, N.E.C.				
HDB FINANCIAL SERVICES LTD.	21,390,000	2,195,729,299	0.99	2.76
INDIA INFRASTRUCTURE FINANCE CO. LTD.	1,000,000	108,480,100	0.05	0.14
INFRASTRUCTURE LEASING AND FINANCIAL SERVICES LTD.	9,500,000	992,840,850	0.45	1.25
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED	1,500,000	162,179,550	0.07	0.20
SHRIRAM TRANSPORT FINANCE CO. LTD.	11,180,000	1,211,973,167	0.54	1.52
		4,671,202,966	2.10	5.87

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	31,390,000	3,243,163,606	1.45	4.07
LIC HOUSING FINANCE LTD.	44,470,000	4,623,667,699	2.07	5.81
PNB HOUSING FINANCE LIMITED	5,720,000	585,084,870	0.26	0.73
		8,451,916,175	3.78	10.61
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	44,300,000	4,581,320,422	2.06	5.75
HDFC BANK LTD.	22,420,000	2,302,801,098	1.03	2.89
ICICI BANK LTD.	42,950,000	4,451,175,230	2.00	5.59
IDBI BANK LTD.	6,500,000	684,946,600	0.31	0.86
IDFC BANK LIMITED	13,770,000	1,446,275,574	0.65	1.82
INDIAN OVERSEAS BANK	1,000,000	102,715,700	0.05	0.13
ING VYSYA BANK LTD.	800,000	88,266,080	0.04	0.11
KOTAK MAHINDRA BANK LTD.	4,490,000	472,428,371	0.21	0.59
PUNJAB NATIONAL BANK	1,000,000	101,582,900	0.05	0.13
STATE BANK OF INDIA	500,000	50,800,250	0.02	0.06
YES BANK	6,500,000	674,040,450	0.30	0.85
		14,956,352,675	6.72	18.78
OTHER CREDIT GRANTING				
CAN FIN HOMES LTD.	400,000	41,363,720	0.02	0.05
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	1,500,000	146,619,750	0.07	0.18
POWER FINANCE CORPORATION LTD.	68,380,000	7,088,643,020	3.18	8.90
RURAL ELECTRIFICATION CORPORATION LIMITED	67,430,000	7,000,738,195	3.14	8.79
		14,277,364,685	6.41	17.92
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	41,510,000	4,345,503,031	1.95	5.46
		4,345,503,031	1.95	5.46

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 YEAR ENDED MARCH 31, 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 31st 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 31-03-17
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 ₹ 4.85 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.

Based on the confirmation from CRA the number of units as at the year end are 9352720012.9691 and the balance 5124.2114 have been identified as residual units with CRA

Total 5928404.4775 Units are lying in the name of "CRA Unitisation Pooled PRAN" maintained by CRA. As explained by CRA, the subscribers have not been identified for the same. Moreover total 184807.1349 Units are lying in the name of "Central Govt. Suspense PRAN" & "UOS Suspense PRAN" maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

- 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 Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 2,26,57,573	₹ 1,62,09,043

* 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 Year	Current Year	Previous Year
0.01%	0.01%	₹ 1,93,15,921	₹ 62,29,295

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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
33,197.06	171.76	27,932.72	144.53	18,849.48	135.10	14,924.08	106.96

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 31st March, 2017 is ₹ 2,993.03 Crores (Previous Year ₹ 2,088.80 Crores).

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2017	As on 31st March, 2016
₹ 23.8338	₹ 20.9739

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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
2,442.10	12.64	87.61	0.45	1,181.31	8.47	303.85	2.18

L. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 27,448.55	₹ 145.37	₹ 7,356.69	₹ 119.35

N. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2017 is given in Annexure A.

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

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
M. No. - 109386
Date :
Place : Mumbai

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
Date :
Place : Mumbai

Leo Puri
Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)
Date :
Place : Mumbai

Kamal Chaudhry
(Chief Executive Officer)



UTI Retirement Solutions Limited

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

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	13178 08 63 394	10148 93 77 073
Reserves and Surplus	2	14846 17 16 400	8857 36 31 577
Current Liabilities and Provisions	3	5 15 06 274	2 94 48 061
Total		28029 40 86 068	19009 24 56 711
<u>Assets</u>			
Investments	4	27386 31 80 374	18553 47 15 152
Deposits	5	40 00 00 000	40 00 00 000
Other Current Assets	6	603 09 05 694	415 77 41 559
Total		28029 40 86 068	19009 24 56 711
(a) Net assets as per Balance Sheets		28024 25 79 794	19006 30 08 650
(b) Number of units outstanding		1317 80 86 340	1014 89 37 708
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		33 00 60 636	23 48 14 888
Interest		1598 36 36 049	1123 59 73 178
Profit on sale/redemption of investments		47 38 38 644	44 68 41 198
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1288 47 34 457	123 86 69 484
Other income			
- Miscellaneous Income		468	2 00 313
Total Income (A)		2967 22 70 254	1315 64 99 061
Expenses and Losses			
Unrealized losses in value of investments		96 70 90 950	303 15 01 195
Loss on sale/redemption of investments		9 45 040	53 78 823
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		2 78 30 497	1 80 78 345
NPS Trust fees		2 37 25 915	72 16 766
Custodian fees		89 26 159	1 25 37 977
Depository and settlement charges		14 46 959	12 57 889
CRA Fees		51 043	7 292
Less: Amount recoverable on sale of units on account of CRA Charges		(51 043)	(7 292)
Other Expenses		-	-
Total Expenditure (B)		102 99 65 520	307 59 70 995
Surplus/(Deficit) for the year (A-B)		2864 23 04 734	1008 05 28 066
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1191 76 43 507)	179 28 31 712
Less: Amount transferred (to) / from General Reserve		(1672 46 61 227)	(1187 33 59 778)
Amount carried forward to Balance Sheet		-	-

Significant Accounting Policies and Notes to Accounts

7

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Initial Capital*	1 67 676	1 67 676
Unit Capital		
Outstanding at the beginning of the year	10148 93 77 073	6853 08 93 057
Add :Units issued during the year	3084 00 63 787	3320 02 28 295
Less: Units redeemed during the year	(54 85 77 466)	(24 17 44 279)
Outstanding at the end of the year	13178 08 63 394	10148 93 77 073
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	1014 89 37 708	685 30 89 306
Add :Units issued during the year	308 40 06 379	332 00 22 830
Less: Units redeemed during the year	(5 48 57 747)	(2 41 74 428)
Outstanding units at the end of the year	1317 80 86 340	1014 89 37 708

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	5697 44 57 948	3068 08 20 557
Add: Premium on Units issued	3181 66 99 247	2648 87 34 060
Less: Premium on Units redeemed	(57 09 19 158)	(19 50 96 669)
Add: Transfer from General Reserve	-	-
Closing Balance	8822 02 38 037	5697 44 57 948
General Reserve		
Opening Balance	2596 20 17 826	1408 86 58 048
Add: Transfer from Revenue Account	1672 46 61 227	1187 33 59 778
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	4268 66 79 053	2596 20 17 826
Unrealised Appreciation Account		
Opening Balance	563 71 55 803	742 99 87 515
Add/(Less): Transfer from/(to) Revenue Account	1191 76 43 507	(179 28 31 712)
Closing Balance	1755 47 99 310	563 71 55 803
Total	14846 17 16 400	8857 36 31 577

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	2 41 31 135	1 92 97 792
Book Overdraft	-	-
Redemption Payable	2 71 28 211	98 04 637
TDS Payable	2 46 928	3 45 632
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	5 15 06 274	2 94 48 061

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017	As at March 31, 2016
	₹	₹
Investments (Long Term and Short Term)		
Equity Shares	3675 96 94 257	1909 58 25 140
Debentures and Bonds Listed/Awaiting Listing	10024 36 81 114	6168 14 69 070
Central and State Government Securities (including treasury bills)	13402 30 25 731	10123 17 23 741
Commercial Paper	-	-
Others - Mutual Fund Units	283 67 79 272	352 56 97 201
Total	27386 31 80 374	18553 47 15 152

Schedule 5	As at March 31, 2017	As at March 31, 2016
	₹	₹
Deposits		
Deposits with Scheduled Banks	40 00 00 000	40 00 00 000
Total	40 00 00 000	40 00 00 000

Schedule 6	As at March 31, 2017	As at March 31, 2016
	₹	₹
Other Current Assets		
Balances with bank in a current account	44 97 966	29 353
Contracts for sale of investments	-	1 54 26 346
Outstanding and accrued income	602 64 07 728	414 22 85 860
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Total	603 09 05 694	415 77 41 559

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 YEAR ENDED MARCH 31, 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 25th 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 31-03-17
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 ₹ 16.62 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.

Based on the confirmation from CRA the number of units as at the year end are 13178078424.6529 and the balance 7914.6581 have been identified as residual units with CRA

Total 14146.2989 Units are lying in the name of “State Govt. Suspense PRAN” & “UOS Suspense PRAN” maintained by CRA. As explained by CRA this is parking account for error rectification. The possible impact, if any, shall be known after completion of identification / reconciliation process.

- 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 Year	Previous Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 2,78,30,497	₹ 1,80,78,345

* 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 Year	Current Year	Previous Year
0.01%	0.01%	₹ 2,37,25,914	₹ 72,16,766

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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
37,527.98	158.06	29,839.32	125.68	26,323.09	169.11	19,269.65	123.80

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 31st March, 2017 is ₹ 3,667.15 Crores. (Previous Year ₹ 2,331.88 Crores)

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2017	As on 31st March, 2016
₹ 21.2658	₹ 18.7273

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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
2,967.23	12.50	103.00	0.43	1,315.65	8.45	307.60	1.98

L. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 29,412.80	₹ 283.68	₹ 9,230.27	₹ 352.25

N. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2017 is given in Annexure A.

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

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
M. No. – 109386
 Date :
 Place : Mumbai

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
 Date :
 Place : Mumbai

Leo Puri
Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)
 Date :
 Place : Mumbai

Kamal Chaudhry
(Chief Executive Officer)

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
EQUITY SHARES				
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
AUROBINDO PHARMA LTD.	253,000	170,825,600	0.06	0.46
CADILA HEALTHCARE LTD.	384,282	169,852,644	0.06	0.46
CIPLA LTD.	676,091	400,888,158	0.14	1.09
DIVIS LABORATORIES LTD.	420,814	262,524,814	0.09	0.71
DR. REDDYS LABORATORIES LTD.	90,537	238,325,072	0.09	0.65
LUPIN LTD.	408,312	590,092,502	0.21	1.61
SUN PHARMACEUTICAL INDUSTRIES LTD.	1,457,653	1,003,083,912	0.36	2.73
		2,835,592,703	1.01	7.71
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
HCL TECHNOLOGIES LIMITED	281,436	246,186,141	0.09	0.67
INFOSYS LTD.	1,511,738	1,545,374,171	0.55	4.20
TATA CONSULTANCY SERVICES LTD.	342,529	832,962,022	0.30	2.27
TECH MAHINDRA LTD.	423,612	194,501,450	0.07	0.53
WIPRO LTD.	382,190	197,095,383	0.07	0.54
		3,016,119,167	1.08	8.21
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ALLAHABAD BANK	48,000	3,525,600	0.00	0.01
ANDHRA BANK	11,000	637,450	0.00	0.00
AXIS BANK LTD.	2,302,372	1,130,004,178	0.40	3.07
BANK OF BARODA	3,246,911	561,553,257	0.20	1.53
FEDERAL BANK LTD.	2,766,800	253,023,860	0.09	0.69
HDFC BANK LTD.	1,152,939	1,663,172,154	0.59	4.52
ICICI BANK LTD.	6,101,662	1,689,245,125	0.60	4.60
IDFC BANK LIMITED	2,602,982	154,356,833	0.06	0.42
INDUSIND BANK LTD.	483,133	688,536,995	0.25	1.87
KOTAK MAHINDRA BANK LTD.	1,114,612	972,164,586	0.35	2.64
ORIENTAL BANK OF COMMERCE	18,000	2,535,300	0.00	0.01
PUNJAB NATIONAL BANK	648,806	97,256,019	0.03	0.26
STATE BANK OF INDIA	4,144,564	1,216,015,078	0.43	3.31
UCO BANK	45,000	1,626,750	0.00	0.00
UNION BANK OF INDIA	284,313	44,324,397	0.02	0.12
YES BANK	250,545	387,530,479	0.14	1.05
		8,865,508,061	3.16	24.10
DEBENTURES & BONDS				
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	73,270,000	7,651,746,206	2.73	7.63
		7,651,746,206	2.73	7.63
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	77,850,000	8,112,070,095	2.89	8.09
		8,112,070,095	2.89	8.09
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
EXPORT IMPORT BANK OF INDIA	40,310,000	4,208,208,767	1.50	4.20
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	10,960,000	1,096,072,292	0.39	1.09
		5,304,281,059	1.89	5.29

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	49,170,000	5,095,065,937	1.82	5.08
LIC HOUSING FINANCE LTD.	66,410,000	6,923,802,626	2.47	6.91
PNB HOUSING FINANCE LIMITED	3,720,000	379,981,274	0.14	0.38
		12,398,849,837	4.43	12.37
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	62,060,000	6,404,390,782	2.29	6.39
HDFC BANK LTD.	17,350,000	1,784,549,375	0.64	1.78
ICICI BANK LTD.	58,300,000	6,119,370,417	2.18	6.10
IDFC BANK LIMITED	19,960,000	2,099,145,013	0.75	2.09
ING VYSYA BANK LTD.	700,000	77,232,820	0.03	0.08
KOTAK MAHINDRA BANK LTD.	7,410,000	776,430,139	0.28	0.77
PUNJAB NATIONAL BANK	900,000	91,424,610	0.03	0.09
YES BANK	7,700,000	788,214,070	0.28	0.79
		18,140,757,226	6.48	18.09
OTHER CREDIT GRANTING				
CAN FIN HOMES LTD.	1,500,000	155,113,950	0.06	0.15
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	950,000	92,859,175	0.03	0.09
POWER FINANCE CORPORATION LTD.	87,700,000	9,045,721,813	3.23	9.02
RURAL ELECTRIFICATION CORPORATION LIMITED	79,430,000	8,225,476,744	2.94	8.21
		17,519,171,682	6.26	17.47



UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions
Ltd. Scheme NPS Lite

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<u>Liabilities</u>			
Unit Capital	1	377 48 59 300	342 08 48 556
Reserves and Surplus	2	368 63 74 941	253 10 51 034
Current Liabilities and Provisions	3	10 05 98 959	28 92 881
Total		756 18 33 200	595 47 92 471
<u>Assets</u>			
Investments	4	741 21 33 105	583 79 54 473
Deposits	5	-	-
Other Current Assets	6	14 97 00 095	11 68 37 998
Total		756 18 33 200	595 47 92 471
(a) Net assets as per Balance Sheets		746 12 34 241	595 18 99 590
(b) Number of units outstanding		37 74 85 930	34 20 84 856
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
Dividend		1 25 24 657	1 03 98 837
Interest		46 20 38 705	37 12 11 490
Profit on sale/redemption of investments		1 44 39 315	94 20 186
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		40 39 37 579	3 92 27 691
Other income			
- Miscellaneous Income		112	3
Total Income (A)		89 29 40 368	43 02 58 207
Expenses and Losses			
Unrealized losses in value of investments		3 10 61 205	11 85 38 617
Loss on sale/redemption of investments		1 98 020	58 423
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		8 16 207	6 10 742
NPS Trust fees		6 95 828	2 31 256
Custodian fees		2 59 638	4 25 238
Depository and settlement charges		38 585	37 598
CRA Fees		4 18 33 579	5 20 94 678
Less: Amount recoverable on sale of units on account of CRA Charges		(4 18 33 579)	(5 20 94 678)
Other Expenses		-	-
Total Expenditure (B)		3 30 69 483	11 99 01 874
Surplus/(Deficit) for the year (A-B)		85 98 70 885	31 03 56 333
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(37 28 76 374)	7 93 10 926
Less: Amount transferred (to) / from General Reserve		(48 69 94 511)	(38 96 67 259)
Amount carried forward to Balance Sheet		-	-

Significant Accounting Policies and Notes to Accounts

7

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Initial Capital*	3 200	3 200
Unit Capital		
Outstanding at the beginning of the year	342 08 48 556	275 75 09 895
Add :Units issued during the year	51 05 84 383	70 13 83 075
Less: Units redeemed during the year	(15 65 73 639)	(3 80 44 414)
Outstanding at the end of the year	377 48 59 300	342 08 48 556
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	34 20 84 856	27 57 50 990
Add :Units issued during the year	5 10 58 438	7 01 38 307
Less: Units redeemed during the year	(1 56 57 364)	(38 04 441)
Outstanding units at the end of the year	37 74 85 930	34 20 84 856

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	137 97 67 233	93 51 73 733
Add: Premium on Units issued	43 76 93 362	47 04 57 048
Less: Premium on Units redeemed	(14 22 40 340)	(2 58 63 548)
Add: Transfer from General Reserve	-	-
Closing Balance	167 52 20 255	137 97 67 233
General Reserve		
Opening Balance	91 68 71 835	52 72 04 576
Add: Transfer from Revenue Account	48 69 94 511	38 96 67 259
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	140 38 66 346	91 68 71 835
Unrealised Appreciation Account		
Opening Balance	23 44 11 966	31 37 22 892
Add/(Less): Transfer from/(to) Revenue Account	37 28 76 374	(7 93 10 926)
Closing Balance	60 72 88 340	23 44 11 966
Total	368 63 74 941	253 10 51 034

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	6 88 668	6 21 677
Book Overdraft	-	-
Redemption Payable	9 99 03 584	22 60 189
TDS Payable	6 707	11 015
Contract for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	10 05 98 959	28 92 881

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Investments (Long Term and Short Term)		
Equity Shares	109 04 33 760	72 99 40 482
Debentures and Bonds Listed/Awaiting Listing	258 42 04 835	185 73 21 329
Central and State Government Securities (including treasury bills)	363 88 46 466	317 40 34 594
Commercial Paper	-	-
Others - Mutual Fund Units	9 86 48 044	7 66 58 068
Total	741 21 33 105	583 79 54 473
Schedule 5	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Deposits		
Deposits with Scheduled Banks	-	-
	-	-
Schedule 6	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Other Current Assets		
Balances with bank in a current account	3 23 319	1
Contracts for sale of investments	-	-
Outstanding and accrued income	14 93 76 776	11 68 37 997
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Total	14 97 00 095	11 68 37 998

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
EQUITY SHARES				
MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO				
ITC LIMITED	221,309	62,032,913	0.83	5.69
		62,032,913	0.83	5.69
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	26,486	39,784,621	0.53	3.65
LIC HOUSING FINANCE LTD.	28,800	17,811,360	0.24	1.63
		57,595,981	0.77	5.28
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
CADILA HEALTHCARE LTD.	12,400	5,480,800	0.07	0.50
CIPLA LTD.	22,100	13,104,195	0.18	1.20
DIVIS LABORATORIES LTD.	12,406	7,739,483	0.10	0.71
DR. REDDYS LABORATORIES LTD.	3,021	7,952,329	0.11	0.73
LUPIN LTD.	7,209	10,418,447	0.14	0.96
SUN PHARMACEUTICAL INDUSTRIES LTD.	49,885	34,328,363	0.46	3.15
		79,023,617	1.06	7.25
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNII				
HCL TECHNOLOGIES LIMITED	10,088	8,824,478	0.12	0.81
INFOSYS LTD.	51,695	52,845,214	0.71	4.85
TATA CONSULTANCY SERVICES LTD.	14,589	35,477,530	0.48	3.25
TECH MAHINDRA LTD.	14,640	6,721,956	0.09	0.62
WIPRO LTD.	15,872	8,185,190	0.11	0.75
		112,054,368	1.51	10.28
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ALLAHABAD BANK	5,000	367,250	0.00	0.03
AXIS BANK LTD.	60,005	29,450,454	0.39	2.70
BANK OF BARODA	78,155	13,516,907	0.18	1.24
FEDERAL BANK LTD.	91,000	8,321,950	0.11	0.76
HDFC BANK LTD.	37,154	53,596,503	0.72	4.92
ICICI BANK LTD.	156,775	43,403,159	0.58	3.98
IDFC BANK LIMITED	81,204	4,815,397	0.06	0.44
INDUSIND BANK LTD.	10,770	15,348,866	0.21	1.41
KOTAK MAHINDRA BANK LTD.	24,528	21,393,322	0.29	1.96
PUNJAB NATIONAL BANK	20,125	3,016,738	0.04	0.28
STATE BANK OF INDIA	97,180	28,512,612	0.38	2.61
UNION BANK OF INDIA	12,500	1,948,750	0.03	0.18
YES BANK	2,350	3,634,863	0.05	0.33
		227,326,769	3.04	20.84
DEBENTURES & BONDS				
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
EXPORT IMPORT BANK OF INDIA	1,970,000	209,066,183	2.80	8.09
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	80,000	8,254,888	0.11	0.32
		217,321,071	2.91	8.41

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	480,000	49,912,914	0.67	1.93
HDFC BANK LTD.	430,000	43,895,707	0.59	1.70
ICICI BANK LTD.	920,000	98,864,979	1.33	3.83
IDFC BANK LIMITED	760,000	80,043,636	1.07	3.10
PUNJAB NATIONAL BANK	80,000	8,126,632	0.11	0.31
		280,843,868	3.77	10.87
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	1,670,000	178,655,099	2.39	6.91
		178,655,099	2.39	6.91
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	1,200,000	125,501,480	1.68	4.86
LIC HOUSING FINANCE LTD.	1,580,000	163,693,827	2.19	6.33
PNB HOUSING FINANCE LIMITED	70,000	7,136,689	0.10	0.28
		296,331,996	3.97	11.47
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	2,280,000	237,042,988	3.18	9.17
		237,042,988	3.18	9.17
OTHER CREDIT GRANTING				
POWER FINANCE CORPORATION LTD.	1,950,000	203,084,212	2.72	7.86
RURAL ELECTRIFICATION CORPORATION LIMITED	2,410,000	250,236,283	3.35	9.68
		453,320,495	6.07	17.54

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 YEAR ENDED MARCH 31, 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 4th October, 2010.
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 guidelines. The details of deviation are as under:

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-17
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	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	Impact was not ascertainable.

day is not more than fifteen days.	period of the instrument.	
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 Higher by ₹ 0.43 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.

- 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.

Based on the confirmation from CRA the number of units as at the year end are 377484508.5517 and the balance 1421.5166 have been identified as residual units with CRA.

- 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 Year	Previous Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 8,16,207	₹ 6,10,742

* 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 Year	Current Year	Previous Year
0.01%	0.01%	₹ 6,95,828	₹ 2,31,256

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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
986.94	141.78	866.54	124.49	987.11	187.74	839.12	159.60

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 31st March, 2017 is ₹ 102.82 Crores. (Previous Year ₹ 68.69 Crores)

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2017	As on 31st March, 2016
₹ 19.7655	₹ 17.3988

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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
89.29	12.83	3.31	0.48	43.03	8.18	11.99	2.28

L. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 856.91	₹ 9.86	₹ 375.89	₹ 7.67

N. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2017 is given in Annexure A.

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

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
M. No. - 109386
Date :
Place : Mumbai

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
Date :
Place : Mumbai

Leo Puri
Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)
Date :
Place : Mumbai

Kamal Chaudhry
(Chief Executive Officer)



Retirement Solutions

UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions
Ltd. Scheme Atal Pension Yojana (APY)

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedules	As at March 31, 2017 ₹	As at March 31, 2016 -
<u>Liabilities</u>			
Unit Capital	1	509 41 37 011	155 99 85 874
Reserves and Surplus	2	112 93 39 421	10 82 08 329
Current Liabilities and Provisions	3	11 48 708	1 19 131
Total		622 46 25 140	166 83 13 334
<u>Assets</u>			
Investments	4	609 61 74 303	163 59 57 196
Deposits	5	-	-
Other Current Assets	6	12 84 50 837	3 23 56 138
Total		622 46 25 140	166 83 13 334
(a) Net assets as per Balance Sheets		622 34 76 432	166 81 94 203
(b) Number of units outstanding		50 94 13 701	15 59 98 587
Significant Accounting Policies and Notes to Accounts	7		

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Period ended March 31, 2017 ₹	Period ended March 31, 2016 -
Income			
Dividend		54 58 139	7 09 483
Interest		24 75 45 852	3 37 80 682
Profit on sale/redemption of investments		44 46 173	30 50 536
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		19 34 49 800	1 98 24 435
Other income			
- Miscellaneous Income		208	4
Total Income (A)		45 09 00 172	5 73 65 140
Expenses and Losses			
Unrealized losses in value of investments		3 05 09 620	1 02 36 439
Loss on sale/redemption of investments		-	3
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		4 51 092	58 588
NPS Trust fees		3 84 562	42 219
Custodian fees		1 42 058	40 553
Depository and settlement charges		44 553	16 766
CRA Fees		6 28 54 801	2 49 55 595
Less: Amount recoverable on sale of units on account of CRA Charges		(6 28 54 801)	(2 49 55 595)
Other Expenses		-	-
Total Expenditure (B)		3 15 31 885	1 03 94 568
Surplus/(Deficit) for the year (A-B)		41 93 68 287	4 69 70 572
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(16 29 40 180)	(95 87 996)
Less: Amount transferred (to) / from General Reserve		(25 64 28 107)	(3 73 82 576)
Amount carried forward to Balance Sheet		-	-

Significant Accounting Policies and Notes to Accounts

7

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

Schedule 1	As at March 31, 2017 ₹	As at March 31, 2016 -
Initial Capital*	2 982	2 982
Unit Capital		
Outstanding at the beginning of the year	155 99 85 874	-
Add :Units issued during the year	360 05 11 717	157 32 54 241
Less: Units redeemed during the year	(6 63 60 580)	(1 32 68 367)
Outstanding at the end of the year	509 41 37 011	155 99 85 874
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	15 59 98 587	-
Add :Units issued during the year	36 00 51 172	15 73 25 424
Less: Units redeemed during the year	(66 36 058)	(13 26 837)
Outstanding units at the end of the year	50 94 13 701	15 59 98 587

* Represents capital on the date of commencement of scheme

Schedule 2	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	6 12 37 757	-
Add: Premium on Units issued	61 28 66 718	6 18 64 811
Less: Premium on Units redeemed	(1 11 03 913)	(6 27 054)
Add: Transfer from General Reserve	-	-
Closing Balance	66 30 00 562	6 12 37 757
General Reserve		
Opening Balance	3 73 82 576	-
Add: Transfer from Revenue Account	25 64 28 107	3 73 82 576
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	29 38 10 683	3 73 82 576
Unrealised Appreciation Account		
Opening Balance	95 87 996	-
Add/(Less): Transfer from/(to) Revenue Account	16 29 40 180	95 87 996
Closing Balance	17 25 28 176	95 87 996
Total	112 93 39 421	10 82 08 329

Schedule 3	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	4 59 738	1 15 984
Book Overdraft	-	-
Redemption Payable	6 83 589	409
TDS Payable	5 381	2 738
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Interest received in Advance	-	-
Total	11 48 708	1 19 131

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Investments (Long Term and Short Term)		
Equity Shares	84 14 68 081	21 23 54 054
Debentures and Bonds Listed/Awaiting Listing	219 28 23 157	57 66 54 518
Central and State Government Securities (including treasury bills)	300 80 84 133	81 25 75 870
Commercial Paper	-	-
Others - Mutual Fund Units	5 37 98 932	3 43 72 754
Total	609 61 74 303	163 59 57 196

Schedule 5	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Deposits		
Deposits with Scheduled Banks	-	-
	-	-

Schedule 6	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Other Current Assets		
Balances with bank in a current account	15 88 579	3 13 011
Contracts for sale of investments	-	-
Outstanding and accrued income	12 68 62 258	3 20 43 127
Balances with bank in a current account	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Total	12 84 50 837	3 23 56 138

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
EQUITY SHARES				
MANUFACTURE OF CLINKERS AND CEMENT				
AMBUJA CEMENTS LTD.	115,929	27,434,598	0.44	3.26
ASSOCIATED CEMENT COMPANIES LTD.	8,164	11,805,552	0.19	1.40
ULTRATECH CEMENT LTD.	1,288	5,132,358	0.08	0.61
		44,372,508	0.71	5.27
MANUFACTURE OF ALLOPATHIC PHARMACEUTICAL PREPARATIONS				
AUROBINDO PHARMA LTD.	10,400	7,022,080	0.11	0.83
CADILA HEALTHCARE LTD.	12,400	5,480,800	0.09	0.65
CIPLA LTD.	31,638	18,759,752	0.30	2.23
DIVIS LABORATORIES LTD.	5,849	3,648,899	0.06	0.43
DR. REDDYS LABORATORIES LTD.	2,724	7,170,521	0.12	0.85
LUPIN LTD.	13,279	19,190,811	0.31	2.28
SUN PHARMACEUTICAL INDUSTRIES LTD.	41,435	28,513,495	0.46	3.39
		89,786,358	1.45	10.66
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
HCL TECHNOLOGIES LIMITED	106	92,724	0.00	0.01
INFOSYS LTD.	33,837	34,589,873	0.56	4.11
TATA CONSULTANCY SERVICES LTD.	6,623	16,105,811	0.26	1.91
TECH MAHINDRA LTD.	9,027	4,144,747	0.07	0.49
WIPRO LTD.	124	63,947	0.00	0.01
		54,997,102	0.89	6.53
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	51,850	25,447,980	0.41	3.02
BANK OF BARODA	90,182	15,596,977	0.25	1.85
HDFC BANK LTD.	31,549	45,511,010	0.73	5.41
ICICI BANK LTD.	95,335	26,393,495	0.42	3.14
IDFC BANK LIMITED	14,780	876,454	0.01	0.10
INDUSIND BANK LTD.	16,611	23,673,167	0.38	2.81
KOTAK MAHINDRA BANK LTD.	49,838	43,468,704	0.70	5.17
PUNJAB NATIONAL BANK	144	21,586	0.00	0.00
STATE BANK OF INDIA	69,823	20,486,068	0.33	2.43
YES BANK	13,464	20,825,442	0.33	2.47
		222,300,882	3.56	26.40
DEBENTURES & BONDS				
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	1,160,000	121,092,562	1.95	5.52
		121,092,562	1.95	5.52

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS				
NATIONAL THERMAL POWER CORPORATION LTD.	1,560,000	156,475,167	2.51	7.14
		156,475,167	2.51	7.14
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	1,800,000	186,664,867	3.00	8.51
		186,664,867	3.00	8.51
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
EXPORT IMPORT BANK OF INDIA	780,000	80,955,884	1.30	3.69
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	350,000	34,594,557	0.56	1.58
		115,550,441	1.86	5.27
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	970,000	100,209,943	1.61	4.57
LIC HOUSING FINANCE LTD.	1,490,000	155,357,108	2.50	7.08
PNB HOUSING FINANCE LIMITED	380,000	38,995,166	0.63	1.78
		294,562,217	4.74	13.43
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	2,110,000	215,939,408	3.47	9.85
HDFC BANK LTD.	180,000	18,401,742	0.30	0.84
ICICI BANK LTD.	1,230,000	127,467,670	2.05	5.81
IDFC BANK LIMITED	370,000	38,615,799	0.62	1.76
KOTAK MAHINDRA BANK LTD.	10,000	1,052,179	0.02	0.05
YES BANK	200,000	20,062,620	0.32	0.91
		421,539,418	6.78	19.22
OTHER CREDIT GRANTING				
CAN FIN HOMES LTD.	70,000	7,238,651	0.12	0.33
POWER FINANCE CORPORATION LTD.	1,830,000	188,319,900	3.03	8.59
RURAL ELECTRIFICATION CORPORATION LIMITED	1,790,000	183,691,622	2.95	8.38
		379,250,173	6.10	17.30

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 PERIOD ENDED MARCH 31, 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 4th 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 31-03-17
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 ₹ 0.44 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.

Based on the confirmation from CRA the number of units as at the year end are 509411550.9088 and the balance 2150.2623 have been identified as residual units with CRA.

- 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 Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 4,51,092	₹ 58,588

* 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 Year	Current Year	Previous Year
0.01 %	0.01 %	₹ 3,84,562	₹ 42,219

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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
1,755.80	455.20	1,320.5	342.35	570.74	1126.69	405.33	800.16

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 31st March, 2017 is ₹ 59.93 Crores. (Previous Year ₹ 12.35 Crores)

J. Net Asset Value:.

Current Year	Previous Year
As on 31st March, 2017	As on 31st March, 2016
₹ 12.2169	₹ 10.6936

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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
45.09	11.69	3.15	0.82	5.74	11.32	1.04	2.05

L. Other disclosures:

Particulars	Current Year	Previous Year
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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 1,321.41	₹ 5.38	₹ 309.12	₹ 3.44

N. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2017 is given in Annexure A.

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

For M/s Borkar & Muzumdar
Chartered Accountants
Firm Registration No.:101569W

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
M. No. - 109386
Date :
Place : Mumbai

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
Date :
Place : Mumbai

Leo Puri
Chairman & Director

For and on behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)
Date :
Place : Mumbai

Kamal Chaudhry
(Chief Executive Officer)



UTI Retirement Solutions Limited

NPS Trust – A/C UTI Retirement Solutions
Pension Fund Scheme Corporate CG

Annual Audited Financial Statements of Accounts As at 31st March, 2017

Contents: -

- Balance Sheet as at 31st March, 2017
- Revenue Accounts for the Financial Year ended 31st March, 2017
- Accounting Policies and Notes to Accounts

Registered Office:
UTI Towers 'Gn' – Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400051
Phone: - 66786731 / 6449

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG
BALANCE SHEET AS AT MARCH 31, 2017

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

This is the Balance Sheet referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
Income			
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		-	-
Total Income (A)		-	-
Expenses and Losses			
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 Char		-	-
Other Expenses		-	-
Total Expenditure (B)		-	-
Surplus/(Deficit) for the year (A-B)		-	-
Less: Amount transferred to / (from) Unrealised Appreciation Reserve		-	-
Less: Amount transferred to / (from) General Reserve		-	-
Amount carried forward to Balance Sheet		-	-
Significant Accounting Policies and Notes to Accounts	7		

This is the Revenue Account referred to in our report of even date.

For M/s Borkar & Muzumdar (FRN 101569W)
Chartered Accountants

For UTI Retirement Solutions Ltd.

Devang Vaghani
Partner
Membership No.: 109386

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Leo Puri
Chairman & Director

Date:
Place: Mumbai

Date:
Place: Mumbai

For and on Behalf of NPS Trust

Shailesh V. Haribhakti
(Chairman, NPS Trust Board)

Kamal Chaudhry
(Chief Executive Officer)

Date:
Place: Mumbai

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 MARCH 31, 2017

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

* Represents capital on the date of commencement of scheme

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

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

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 MARCH 31, 2017

Schedule 4	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
Others - Mutual Fund Units	-	-
Total	<u>-</u>	<u>-</u>
Schedule 5	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Deposits		
Deposits with Scheduled Banks	-	-
	<u>-</u>	<u>-</u>
Schedule 6	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Other Current Assets		
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	-	-
Total	<u>-</u>	<u>-</u>

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 YEAR ENDED MARCH 31, 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 5th November, 2012.

3. Investment pattern to be followed as per the 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. 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 Year	Previous Year	Current Year	Previous Year
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 Year	Current Year	Previous Year
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 Year				Previous Year			
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 31st March, 2017 is ₹ NIL. (Previous Year ₹ NIL)

- H. Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2017	As on 31st March, 2016
₹ 10.0000	₹ 10.0000

- 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 Year				Previous Year			
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 Year	Previous Year
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 Year: ₹ Nil)

For M/s Borkar & Muzumdar

For UTI Retirement Solutions Ltd.

Chartered Accountants

Firm Registration No.:101569W

Devang Vaghani

Balram P Bhagat

Leo Puri

Partner

Chief Executive Officer

Chairman & Director

M. No. - 109386

& Whole Time Director

Date :

Date :

Place : Mumbai

Place : Mumbai

For and on behalf of NPS Trust

Shailesh V. Haribhakti

Kamal Chaudhry

(Chairman, NPS Trust Board)

(Chief Executive Officer)

Date :

Place : Mumbai

25th April, 2017

Extracts of the resolutions of Forty First Meeting of Board of Directors of UTI Retirement Solutions Ltd. held on 25th April, 2017 at its Registered office

Approval of Audited Annual Accounts of the NPS Schemes managed by UTI Retirement Solutions Limited for the financial year ended 31st March, 2017

“Resolved,

that the Annual Statement of Accounts viz. Balance Sheet as at 31st March, 2017 and Revenue Accounts for the Financial Year ended 31st March, 2017; Schedules attached thereto; Significant Accounting Policies and Notes to Accounts alongwith Auditors’ Report thereon as annexed to the memorandum dated 21st April, 2017 and Annual Report of the following NPS Schemes managed by UTI Retirement Solutions Limited for the FY 2016-17, be and is hereby noted and approved: -

Sr. No.	Name of the NPS Scheme
1.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme E – Tier I
2.	NPS Trust – A/c UTI Retirement Solutions Scheme E – Tier II
3.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme C – Tier I
4.	NPS Trust – A/c UTI Retirement Solutions Scheme C – Tier II
5.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme G – Tier I
6.	NPS Trust – A/c UTI Retirement Solutions Scheme G – Tier II
7.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme A – Tier I
8.	NPS Trust – A/c UTI Retirement Solutions Scheme A – Tier II
9.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme Central Government
10.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme State Government
11.	NPS Trust – A/c UTI Retirement Solutions Limited Scheme NPS Lite – Govt. Pattern
12.	NPS Trust – A/c UTI Retirement Solutions Limited Scheme Atal Pension Yojana (APY)
13.	NPS Trust – A/c UTI Retirement Solutions Pension Fund Scheme Corporate CG (inoperative)

“Resolved Further,

that the accounting policies as mentioned in 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 PFRDA’s guidelines and generally accepted accounting principles, as modified / updated from time to time, be and are hereby adopted.”

“Resolved Further,

that Mr. Balram P. Bhagat, Chief Executive Officer & Whole Time Director and any of the Directors be and are hereby authorized to sign, on behalf of the Board, Annual Statement of Accounts *viz.* Revenue Accounts for the year ended 31st March, 2017 and Balance Sheet as on that date; Schedules attached thereto; Significant Accounting Policies and Notes to Accounts of all the NPS Schemes managed by UTI Retirement Solutions Limited.

“Resolved Further,

that Mr. Balram P. Bhagat, Chief Executive Officer & Whole Time Director be and is hereby authorized to sign, on behalf of the Board, the Annual Report of the NPS Schemes managed by UTI Retirement Solutions Limited for the Financial Year 2016-17.

For UTI Retirement Solutions Limited

Arvind Patkar
(Company Secretary &
Compliance Officer)