



Annual Report of NPS Schemes

Managed by

UTI Retirement Solutions Limited

For the Financial Year 2017 – 18

Registered Office:

UTI Towers 'Gn' – Block

Bandra – Kurla Complex

Bandra (East)

Mumbai – 400051

Phone: - 66786731 / 6449

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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 65 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%. Active Choice 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, Atal Pension Yojana (APY) 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 laid down by the Board of Directors of the company with the objective of optimizing returns.



2. Operation and future outlook

As on March 31, 2018 the company was managing following 13 schemes:

Sr. No.	Name of Scheme	AUM (₹ in Crore)	
		As on 31/03/2018	As on 31/03/2017
1.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme E – Tier I	225.40	129.64
2.	NPS Trust–A/C UTI Retirement Solutions Scheme E – Tier II	15.33	9.86
3.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme C – Tier I	139.80	81.94
4.	NPS Trust–A/C UTI Retirement Solutions Scheme C – Tier II	9.87	6.68
5.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme G – Tier I	209.06	122.90
6.	NPS Trust–A/C UTI Retirement Solutions Scheme G – Tier II	11.81	8.15
7.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme A – Tier I*	0.38	0.05
8.	NPS Trust–A/C UTI Retirement Solutions Scheme A–Tier II [#]	0.00	0.01
9.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – Central Govt.	28,352.47	22,291.17
10.	NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme – State Govt.	38,411.37	28,024.28
11.	NPS Trust – A/C UTI Retirement Solutions Ltd. – NPS Lite Scheme –Govt. Pattern	847.85	746.12
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	1,259.93	622.35
	Total	69,483.27	52,043.15
* The scheme started its operation w.e.f. 14 th October, 2016			
[#] The scheme started its operation w.e.f. 20 th October, 2016 and became inoperative w.e.f. 16 th June, 2017 as per the instruction of NPS Trust			

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 up to 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 2018 – 19

(a) Equity Market

The key highlights of Financial Year (FY) 2018:

Fiscal 2018 was a year of robust returns for equities especially for mid and small capitalisation stocks. Equities outperformed most other asset-classes in Financial Year 2018 (FY18) (Nifty 50 (11.1%); BSE Midcaps (13.1%); BSE Small-caps (17.3%); MCX gold (7.1%), CRISL Bond Index (5%).

The year began with the positive background of ruling party sweeping key state elections followed up by other key events such as the introduction of Goods & Services Tax (GST), Credit rating upgrade for India to Baa2 by Moody. During the year introduction of GST disrupted business activity briefly but by the third quarter of fiscal 2018 the environment started to normalise and Gross Domestic Product (GDP) growth rate bounced back to 7.2%. Budget deficit for FY18 has increased from 3.2% to 3.5% of GDP and Union budget 2019 expanded the fiscal deficit target for FY19 to 3.3% v/s initial target of 3%. Focus of the budget was primarily towards strengthening areas such as agriculture, rural development, health, education, employment, Micro, Small and Medium Enterprises (MSME) and infrastructure sectors.

Fiscal year 2018 has ended in an environment of volatility in global stocks emanating from the fear of faster than expected rate hikes and tighter liquidity conditions in the US which is impacting Indian capital markets. Global volatility in capital markets was further exacerbated by fear of a trade war getting initiated between the US and its key trading partners.

FY18 institutional flow remained positive (Foreign Portfolio Investment: US\$ 3.5bn and Domestic Institutional Investors: US\$ 17.7bn). Mutual funds remained net buyers on continued local appetite for equities as was experienced in Financial Year 2017.



FY18, they remained net buyers of equity with an inflow of close to \$21.7 bn. Systematic Investment Plan (SIP) portion of mutual fund inflows showed sustained improvement and has now reached a run-rate of USD 1 bn per month.

- Consumption stocks (Fast Moving Consumer Goods and durables), Reality, IT, financials (excluding PSU banks) and commodities (energy and metals) outperformed Nifty50 Index. PSU banks and Pharma witnessed correction.
- In FY18, Indian corporates have raised USD 12.6 bn through IPO, USD 8.9bn through QIP and USD 2.7 bn through Offer for Sale (OFS) route.

Market Outlook

Earnings growth { Year to Date Financial Year (FY) 2018, year on year } for the Nifty 50 Index was at 3.4% and for the full year FY19 Nifty Earnings Per Share growth (Bloomberg consensus) is at ~20.7%. We believe further upsides to the market will depend upon earning growth and global environment. Earning growth would draw support from improving demand for commodities, revival in private capex and credit growth, pick-up in affordable housing, rural economy turnaround and robust growth in discretionary spends.

(b) Debt Market Outlook:

Fixed Income Outlook:

Softer inflation readings in 1st half of financial year 2018 supported a 25bps Repo rate cut from Reserve Bank of India (RBI) in August 2017. However, the deteriorating macro dynamics, viz. fiscal slippage, northward inflation trajectory, widening Current Account Deficit (CAD) and a depreciating currency led to a cautious stance from the RBI. The macro concerns got reflected in the sharp rise in yield curve levels. The Union Budget announced fiscal slippage for FY18 as well as FY19 which broadly set the stage for fixed income market outlook for FY19.



The Indian economy is at the inflexion point from an interest rate perspective. A higher inflation trajectory staring at the economy and a probable expansionary fiscal stance ahead of the elections imply a higher interest rate structure. The market will continue to reflect demand supply pressures amidst a move towards neutral liquidity zone. The Budget announced a G-Sec borrowing of Rs 6,06,000 crore for FY19. In addition, the state borrowing would remain elevated adding to supply woes in the backdrop of limited purchasing interest. Respite to yields would hinge on foreign investor appetite and extent of support from Open Market Operations (OMO) purchases. The rate tightening from the Fed would add to the vulnerability. The relatively attractive positioning of the Indian economy on the global platform would likely provide some solace.

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 :-
2.	Scheme E – Tier II	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
3.	Scheme C – Tier I	To optimize returns through investments in: -
4.	Scheme C – Tier II	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 the Asian Development Bank; and d) Term deposit Receipts of not less than one year duration issued by scheduled commercial banks.





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, 2018 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	92.50%	96.56%	97.86%	95.11%	96.77%	99.34%
AA+	4.48%	1.73%	1.55%	3.39%	0.89%	0.66%
AA	1.28%	1.23%	0.59%	1.50%	1.36%	0.00%
AA-	0.97%	0.48%	0.00%	0.00%	0.98%	0.00%
Below AA-	0.77%	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 31/03/2018	₹ 225.40 Crore	
NAV per unit as on 31/03/2018	₹ 26.6015	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (Nifty 100)
Last 1 year	11.18%	12.09%
Last 3 years	8.42%	7.59%
Last 5 years	14.91%	13.72%
Since inception	11.67%	11.52%

b) Scheme E – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2018	₹ 15.33 Crore	
NAV per unit as on 31/03/2018	₹ 21.5731	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (Nifty 100)
Last 1 year	11.15%	12.09%
Last 3 years	8.22%	7.59%
Last 5 years	14.86%	13.72%
Since inception	9.71%	9.43%



c) Scheme C – Tier I:-

Date of Inception	May 21, 2009	
Fund size as on 31/03/2018	₹ 139.80 Crore	
NAV per unit as on 31/03/2018	₹ 22.388	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Corporate Bond Index)
Last 1 year	5.94%	5.35%
Last 3 years	8.90%	8.61%
Last 5 years	9.53%	9.57%
Since inception	9.52%	9.05%

d) Scheme C – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2018	₹ 9.87 Crore	
NAV per unit as on 31/03/2018	₹ 21.4076	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Corporate Bond Index)
Last 1 years	6.11%	5.35%
Last 3 years	8.75%	8.61%
Last 5 years	9.40%	9.57%
Since inception	9.61%	9.18%



e) Scheme G – Tier I:-

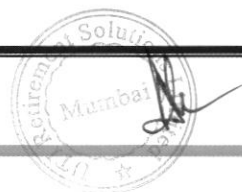
Date of Inception	May 21, 2009	
Fund size as on 31/03/2018	₹ 209.06 Crore	
NAV per unit as on 31/03/2018	₹ 20.4148	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Govt. Securities Index)
Last 1 year	4.21%	3.50%
Last 3 years	7.62%	7.62%
Last 5 years	8.61%	8.44%
Since inception	8.38%	7.38%

f) Scheme G – Tier II:-

Date of Inception	December 14, 2009	
Fund size as on 31/03/2018	₹ 11.81 Crore	
NAV per unit as on 31/03/2018	₹ 20.9458	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Govt. Securities Index)
Last 1 year	4.38%	3.50%
Last 3 years	7.82%	7.62%
Last 5 years	8.65%	8.44%
Since inception	9.32%	8.28%

g) Scheme A – Tier I:-

Date of Inception	October 14, 2016	
Fund size as on 31/03/2018	₹ 0.38 Crore	
NAV per unit as on 31/03/2018	₹ 10.9848	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR) %	
	Scheme	Benchmark
Last 1 year	6.82%	NA
Since inception	6.59%	NA



h) Scheme – Central Government:-

Date of Inception	April 01, 2008	
Fund size	₹ 28,352.47 Crore	
NAV per unit as on 31/03/2018	₹ 25.3233	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Government Pattern Index)
Last 1 year	6.25%	5.21%
Last 3 years	8.64%	8.07%
Last 5 years	9.80%	9.50%
Since inception	9.73%	9.11%

i) Scheme – State Government :-

Date of Inception	June 25, 2009	
Fund size as on 31/03/2018	₹ 38,411.37 Crore	
NAV per unit as on 31/03/2018	₹ 22.5518	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Government Pattern Index)
Last 1 year	6.05%	5.21%
Last 3 years	8.57%	8.07%
Last 5 years	9.73%	9.50%
Since inception	9.72%	8.74%



j) NPS Lite Scheme –Govt. Pattern:-

Date of Inception	October 04, 2010	
Fund size as on 31/03/2018	₹ 847.85 Crore	
NAV per unit as on 31/03/2018	₹ 21.0081	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Government Pattern Index)
Last 1 year	6.29%	5.21%
Last 3 years	8.51%	8.07%
Last 5 years	9.80%	9.50%
Since inception	10.41%	8.79%

k) Scheme Atal Pension Yojana:-

Date of Inception	June 04, 2015	
Fund size as on 31/03/2018	₹ 1,259.93 Crore	
NAV per unit as on 31/03/2018	₹ 12.9130	
Performance as on 31/03/2018: -		
Period	Compounded Annual Growth Rate (CAGR)%	
	Scheme	Benchmark (CRISIL NPS – Government Pattern Index)
Last 1 year	5.70%	5.21%
Last 3 years	NA	NA
Last 5 years	NA	NA
Since inception	9.47%	8.90%

9. Key Statistics

Key statistics are mentioned as annexures to the financial statements of respective NPS Schemes managed by UTI Retirement Solutions Limited in the format prescribed by the NPS Trust.



10. Voting rights exercised by UTI Retirement Solutions Limited in respect of assets held by NPS Trust during FY 2017-18

PFRDA had framed “**Voting Policy on Assets held by the NPS Trust**”. The responsibility to exercise the voting rights on the assets held by NPS Schemes has been delegated to the Custodian based on the consensus formed amongst all the Pension Fund Managers under NPS.

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, voting rights were exercised by the custodian during FY 2017–18 in accordance with the Voting Policy of PFRDA and after arriving at the consensus of all other PFMs on behalf of NPS Schemes managed by UTI Retirement Solutions Limited. The details of the voting may be viewed in our website.


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

The Auditors’ Certificate on the proxy voting exercised during the FY 2017-18 is attached alongwith the Annual Report at Page No. 18 – 19.

11. 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, 2018 is attached along with the Annual Report at Page No. 20 – 21.

For UTI Retirement Solutions Limited


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 in 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 2017-18;
- 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").

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

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 2017-18 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.

Restriction on Use

This Certificate is issued solely for the purpose of onward submission to the NPS Trust / PFRDA. It should not be used by any other person or for any other purpose, without our consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

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


Devang Vaghani
Partner
Mem. No. 109386

Date : 18 JUL 2018
Place : Mumbai



Extracts of the Resolutions passed by the Board of Directors of UTI Retirement Solutions Limited in its meeting held on 25th April, 2018 at its Registered Office

Approval of Audited Annual Accounts of the NPS Schemes managed by UTI Retirement Solutions Limited for the financial year ended on 31st March, 2018

“Resolved,

that the Annual Statement of Accounts viz. Revenue Accounts for the year ended 31st March, 2018 and Balance Sheet as on that date; Schedules attached thereto; Significant Accounting Policies and Notes to Accounts along with Auditors’ Report thereon as annexed to the memorandum dated 24th April, 2018 and Annual Report of Combined and all the NPS Schemes managed by UTI Retirement Solutions Limited as mentioned below for the FY 2017-18, 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
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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 (inoperative)
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 Annual Statement of Accounts *viz.* Revenue Accounts for the year ended 31st March, 2018 and Balance Sheet as on that date; Schedules attached thereto; Significant Accounting Policies and Notes to Accounts along with Auditors’ Report thereon as annexed to the memorandum dated 24th April, 2018 of Combined and all the NPS Schemes managed by UTI Retirement Solutions Limited for the FY 2017-18, be and is hereby noted and approved.”

“Resolved Further,

that the accounting policies as mentioned in the PFRDA (Preparation of Financial Statements and Auditor’s report of Schemes under National Pension System) Guidelines - 2012, as modified / updated from time to time, be and are hereby noted and adopted.”

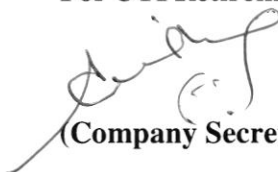
“Resolved Further,

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, the Annual Report, Annual Statement of Accounts *viz.* Revenue Accounts for the year ended 31st March, 2018 and Balance Sheet as on that date; Schedules attached thereto; Significant Accounting Policies and Notes to Accounts of combined and 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 2017-18.”

For UTI Retirement Solutions Limited


(Company Secretary)





UTI Retirement Solutions Limited

Combined Annual Audited Financial Statements Of Accounts of all the NPS Schemes As at 31st March, 2018

Contents: -

- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- 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, 2018**

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	29875 24 19 373	23585 91 96 942
Reserves and Surplus	2	39608 02 75 192	28457 19 79 643
Current Liabilities and Provisions	3	12 08 59 334	18 99 05 603
Total		69495 35 53 899	52062 10 82 188
Assets			
Investments	4	67924 66 59 110	50861 77 53 018
Deposits	5	-	60 00 00 000
Other Current Assets	6	1570 68 94 789	1140 33 29 170
Total		69495 35 53 899	52062 10 82 188
(a) Net assets as per Balance Sheets		69483 26 94 565	52043 11 76 585
(b) Number of units outstanding		2987 52 41 937	2358 59 19 694
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

Devang Vaghani
Partner

Membership No.: 109386

Date:

Place: Mumbai

18 JUL 2018



For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018

Place: Mumbai

Leo Puri
Chairman & Director



For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date:

Place: Mumbai

28 JUN 2018



Munish Malik
(Chief Executive Officer, NPS Trust)

**NATIONAL PENSION SYSTEM TRUST
UTI RETIREMENT SOLUTIONS LIMITED
COMBINED REVENUE ACCOUNT OF ALL SCHEMES FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		105 89 27 886	65 60 61 659
Interest		3974 56 85 950	2985 54 13 766
Profit on sale/redemption of investments		259 90 02 093	102 53 79 011
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1085 16 25 162	2428 67 84 547
Other income			
- Miscellaneous Income		3 245	1 317
Total Income (A)		5425 52 44 336	5582 36 40 300
Expenses and Losses			
Unrealized losses in value of investments		1943 45 55 407	188 09 52 394
Loss on sale/redemption of investments		22 71 63 794	53 17 820
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		7 32 69 945	5 20 44 756
NPS Trust fees		6 12 30 616	4 43 73 866
Custodian fees (including service Tax / GST)		2 03 55 279	1 65 82 501
Depository and settlement charges (including service Tax / GST)		45 05 363	26 90 290
CRA Fees		11 45 70 492	11 08 28 604
Less: Amount recoverable on sale of units on account of CRA Charges		(11 45 70 492)	(11 08 28 604)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		1982 10 80 404	200 19 61 627
Surplus/(Deficit) for the year (A-B)		3443 41 63 932	5382 16 78 673
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		858 29 30 245	(2240 58 32 153)
Less: Amount transferred (to) / from General Reserve		(4301 70 94 177)	(3141 58 46 520)
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


Devang Vaghani
Partner
Membership No.: 109386

Date: 17 8 JUL 2018
Place: Mumbai



For UTI Retirement Solutions Ltd.

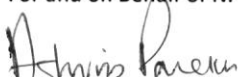

Bahram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

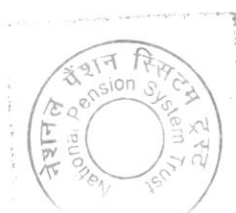

Leo Puri
Chairman & Director



For and on Behalf of NPS Trust


Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai




Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	23585 91 96 942	18359 07 91 789
Add :Units issued during the year	6480 06 04 641	5352 38 52 513
Less: Units redeemed during the year	(190 73 82 210)	(125 54 47 360)
Outstanding at the end of the year	29875 24 19 373	23585 91 96 942
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	2358 59 19 694	1835 90 79 179
Add :Units issued during the year	648 00 60 465	535 23 85 251
Less: Units redeemed during the year	(19 07 38 222)	(12 55 44 736)
Outstanding units at the end of the year	2987 52 41 937	2358 59 19 694

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	15775 18 29 186	10259 41 83 765
Add: Premium on Units issued	7939 99 04 258	5647 50 21 844
Less: Premium on Units redeemed	(232 57 72 641)	(131 73 76 423)
Add: Transfer from General Reserve	-	-
Closing Balance	23482 59 60 803	15775 18 29 186
General Reserve		
Opening Balance	9252 29 13 330	6110 70 66 810
Add: Transfer from Revenue Account	4301 70 94 177	3141 58 46 520
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	13554 00 07 507	9252 29 13 330
Unrealised Appreciation Reserve		
Opening Balance	3429 72 37 127	1189 14 04 974
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(858 29 30 245)	2240 58 32 153
Closing Balance	2571 43 06 882	3429 72 37 127
Total	39608 02 75 192	28457 19 79 643

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	4 33 59 715	4 51 02 832
Book Overdraft	-	-
Redemption Payable	7 67 00 464	14 43 42 596
TDS Payable	7 99 155	4 60 175
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	12 08 59 334	18 99 05 603



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, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	9513 58 47 282	7057 00 12 046
Preference Shares	2 55 78 782	-
Debentures and Bonds Listed/Awaiting Listing	23972 13 41 189	18550 80 90 510
Central and State Government Securities (including treasury bills)	33784 92 32 497	24798 48 69 038
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	651 46 59 360	455 47 81 424
Total	67924 66 59 110	50861 77 53 018

Schedule 5	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Deposits		
Deposits with Scheduled Banks	-	60 00 00 000
Total	-	60 00 00 000

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	72 85 18 604	3 13 01 039
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	1496 91 26 597	1135 44 84 775
Dividend Receivable	92 49 588	1 75 43 356
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	1570 68 94 789	1140 33 29 170



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, 2018

A. Background

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



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

B. Scheme particulars

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

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



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

Sr. No.	Name of Scheme	Investment Objective
1.	Scheme E - Tier I	To optimize returns through investments in :- a. Shares of companies which are listed in BSE or NSE which have market capitalization of not less than Rs. 5000 crore as on the date of investment and on which derivatives are available; b. Units of Mutual funds regulated by the SEBI, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE;
2.	Scheme E - Tier II	c. ETFs / Index Funds regulated by the SEBI that replicate the portfolio of either BSE Index 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.

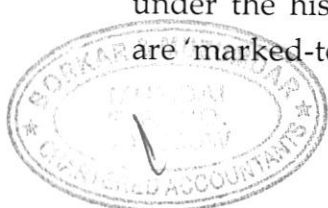


7.	Scheme A – Tier I	To optimize returns through investments in: - a. Commercial mortgage based securities or Residential mortgaged based securities b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India c. Asset backed securities regulated by the Securities 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%
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Equity and related investments	Upto 15%													
Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%													
11.	NPS Lite Scheme – Govt. Pattern													
12.	Scheme – Corporate CG													
13.	Atal Pension Yojana													

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

C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.



2. Investments:

- a. Investments are accounted on trade date.
- b. Cost is determined on the basis of weighted average cost.
- c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.

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

a. Equity:

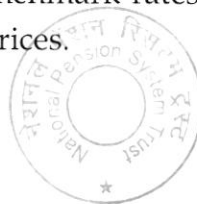
- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. Right entitlement:

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

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

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



- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
 - iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
 - iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
 - v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
 - vi. 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.
 - vii. Partly paid bonds are valued at cost till it is fully paid.
 - viii. 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 31-03-18
1. Securities traded at a stock exchange: When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.
2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 117.11 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.
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- 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 29875218543.5559 and the balance 23393.4242 have been identified as residual units with CRA.

Total 5585355.9614 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 1084708.5026 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 ₹ 7,32,69,945/- (Previous Year ₹ 5,20,44,756/-) including Service Tax / GST.

- G. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are ₹ 6,12,30,616/- (Previous Year ₹ 4,43,73,866/-).

- 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	%
93,059.61	151.89	74,687.39	121.90	74,687.66	168.20	61,025.25	137.43



- I. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2018 is ₹ 10,927.36 Crores (Previous Year ₹ 6,850.80 Crores).

J. Net Asset Value:

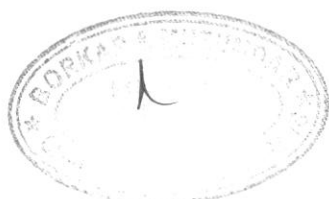
Sr. No.	Name of Scheme	Current Year	Previous Year
		As on 31st March, 2018 (in ₹)	As on 31st March, 2017 (in ₹)
1.	Scheme E - Tier I	26.6015	23.9272
2.	Scheme E - Tier II	21.5731	19.4088
3.	Scheme C - Tier I	22.3880	21.1324
4.	Scheme C - Tier II	21.4076	20.1740
5.	Scheme G - Tier I	20.4148	19.5892
6.	Scheme G - Tier II	20.9458	20.0667
7.	Scheme A - Tier I	10.9848	10.2832
8.	Scheme A - Tier II	10.0000	10.2876
9.	Scheme - Central Govt	25.3233	23.8338
10.	Scheme - State Govt.	22.5518	21.2658
11.	NPS Lite Scheme - Govt. Pattern	21.0081	19.7655
12.	Scheme - Corporate CG	10.0000	10.0000
13.	Atal Pension Yojana	12.9130	12.2169

- 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	%
5,425.52	8.86	1,982.11	36.53	5,582.36	12.57	200.20	0.45

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	₹ 73,503.77	₹ 651.47	₹ 60,090.08	₹ 455.45

N. Portfolio: Please refer scheme wise financials for industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018.

O. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure A.

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

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

Devang Vaghani
Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat

Chief Executive Officer
& Whole Time Director

Date : 25/04/2018

Place : Mumbai

Leo Puri

Chairman & Director

For and on behalf of NPS Trust

Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai

Munish Malik

(Chief Executive Officer, NPS Trust)

UTI Retirement Solutions Limited			
Combined Key Statistics of all NPS Scheme			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	NA	NA
	High	NA	NA
	Low	NA	NA
	End	NA	NA
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	6,948,326.94	5,204,311.77
	Average (AAUM)	6,126,919.52	4,440,400.22
3	Gross income as % of AAUM	8.86%	12.57%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0260%	0.0260%
b	Management Fee as % of AAUM	0.0119%	0.0117%
5	Net Income as a percentage of AAUM	5.62%	12.12%
6	Portfolio turnover ratio	2.19%	1.38%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	NA	NA
	Last 3 Years	NA	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme	NA	NA
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

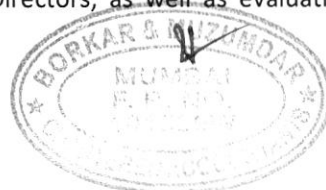
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme E - Tier I (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM' or the 'Company')** which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

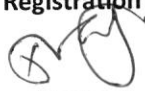
- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:

- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- 9 We further certify that

- a) Investments have been valued in accordance with the guidelines issued by the Authority.
b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.*

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani
Partner

M No.: 109386

Place: Mumbai

Date: 18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	84 72 90 587	54 18 20 572
Reserves and Surplus	2	140 66 33 441	75 46 07 009
Current Liabilities and Provisions	3	34 50 062	20 45 621
Total		225 73 74 090	129 84 73 202
Assets			
Investments	4	225 69 51 015	129 81 87 546
Deposits	5	-	-
Other Current Assets	6	4 23 075	2 85 656
Total		225 73 74 090	129 84 73 202
(a) Net assets as per Balance Sheets		225 39 24 028	129 64 27 581
(b) Number of units outstanding		8 47 29 059	5 41 82 057
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		2 01 34 625	1 03 54 881
Interest		-	-
Profit on sale/redemption of investments		2 52 71 908	43 72 776
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		20 05 53 540	18 91 01 708
Other income			
- Miscellaneous Income		603	237
Total Income (A)		24 59 60 676	20 38 29 602
Expenses and Losses			
Unrealized losses in value of investments		9 62 66 444	2 27 45 401
Loss on sale/redemption of investments		10 95 167	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		1 99 512	1 00 011
NPS Trust fees		1 69 976	86 966
Custodian fees (including service Tax / GST)		45 842	26 111
Depository and settlement charges (including service Tax / GST)		8 209	4 420
CRA Fees		22 38 169	23 25 005
Less: Amount recoverable on sale of units on account of CRA Charges		(22 38 169)	(23 25 005)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		9 77 85 150	2 29 62 909
Surplus/(Deficit) for the year (A-B)		14 81 75 526	18 08 66 693
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(10 42 87 096)	(16 63 56 307)
Less: Amount transferred (to) / from General Reserve		(4 38 88 430)	(1 45 10 386)
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

Devang Vaghani
Partner

Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai



For UTI Retirement Solutions Ltd.

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

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director



For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date:
Place: Mumbai



Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	54 18 20 572	30 82 20 740
Add :Units issued during the year	36 84 61 695	26 01 42 154
Less: Units redeemed during the year	(6 29 91 680)	(2 65 42 322)
Outstanding at the end of the year	84 72 90 587	54 18 20 572
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	5 41 82 057	3 08 22 074
Add :Units issued during the year	3 68 46 170	2 60 14 215
Less: Units redeemed during the year	(62 99 168)	(26 54 232)
Outstanding units at the end of the year	8 47 29 059	5 41 82 057

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	49 12 89 681	20 92 75 286
Add: Premium on Units issued	60 72 66 487	31 43 12 013
Less: Premium on Units redeemed	(10 34 15 581)	(3 22 97 618)
Add: Transfer from General Reserve	-	-
Closing Balance	99 51 40 587	49 12 89 681
General Reserve		
Opening Balance	4 48 56 601	3 03 46 215
Add: Transfer from Revenue Account	4 38 88 430	1 45 10 386
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	8 87 45 031	4 48 56 601
Unrealised Appreciation Account		
Opening Balance	21 84 60 727	5 21 04 420
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	10 42 87 096	16 63 56 307
Closing Balance	32 27 47 823	21 84 60 727
Total	140 66 33 441	75 46 07 009

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	1 25 142	1 07 512
Book Overdraft	-	-
Redemption Payable	33 22 602	19 37 030
TDS Payable	2 318	1 079
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	34 50 062	20 45 621

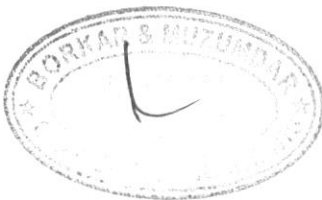
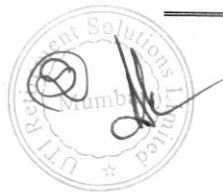


NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	216 63 78 012	125 04 09 225
Preference Shares	4 30 755	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	9 01 42 248	4 77 78 321
Total	225 69 51 015	129 81 87 546

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	2 55 029	32 117
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	-	-
Dividend Receivable	1 68 046	2 53 539
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	4 23 075	2 85 656



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, 2018

A. Background

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



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

B. Scheme particulars

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



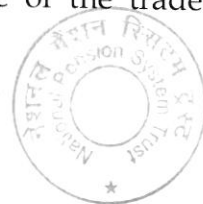
- (e) Exchange traded derivatives regulated by Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.

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

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

C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
 - a. Investments are accounted on trade date.
 - b. Cost is determined on the basis of weighted average cost.
 - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
 - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post



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

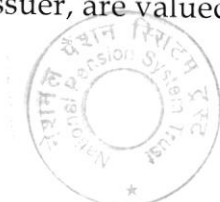
3. Valuation of investments: Investments are valued using the price determined in the following manner:

a. Equity:

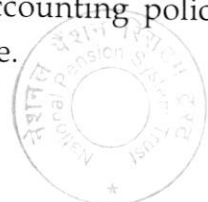
- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
 - a.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

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.



- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
 - vi. 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.
 - vii. Partly paid bonds are valued at cost till it is fully paid.
 - viii. 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%	₹ 1,99,512	₹ 1,00,011

* excluding service tax / GST

** including service tax / GST

- 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 84729031.4675 and the balance 27.2339 have been identified as residual units with CRA.

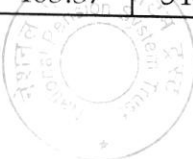
- F. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 1,69,976	₹ 86,966

- 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:

Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
871.75	512.17	788.69	463.37	548.59	629.68	497.67	571.22

₹ in Crores



- 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, 2018 is ₹ 0.04 Crores. (Previous Year ₹ NIL).

I. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 26.6015	₹ 23.9272

- 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	%
24.60	14.45	9.78	5.75	20.38	23.40	2.30	2.64

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	₹ 772.91	₹ 9.01	₹ 496.48	₹ 4.78


- M. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is given in Annexure A.



N. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure B.

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

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


Devang Vaghani
Partner


M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai




For UTI Retirement Solutions Ltd.


Balram P Bhagat
Chief Executive Officer
& Whole Time Director

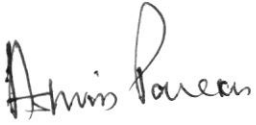
Date : 25/04/2018

Place : Mumbai


Leo Puri
Chairman & Director

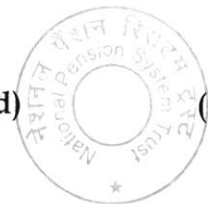


For and on behalf of NPS Trust


Ashvin Parekh
(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai




Munish Malik
(Chief Executive Officer, NPS Trust)

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				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
HDFC BANK LTD.	63,587	119,931,441	5.32	5.54
ICICI BANK LTD.	391,635	109,011,602	4.84	5.03
KOTAK MAHINDRA BANK LTD.	55,072	57,704,442	2.56	2.66
AXIS BANK LTD.	104,143	53,165,002	2.36	2.45
STATE BANK OF INDIA	180,487	45,103,701	2.00	2.08
INDUSIND BANK LTD.	24,617	44,230,595	1.96	2.04
YES BANK	106,055	32,330,867	1.43	1.49
BANK OF BARODA	108,120	15,385,476	0.68	0.71
IDFC BANK LIMITED	64,936	3,074,720	0.14	0.14
PUNJAB NATIONAL BANK	3,627	345,653	0.02	0.02
		480,283,499	21.31	22.16
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	76,931	87,070,506	3.86	4.02
TATA CONSULTANCY SERVICES LTD.	26,036	74,180,469	3.29	3.42
TECH MAHINDRA LTD.	25,150	16,063,305	0.71	0.74
HCL TECHNOLOGIES LIMITED	5,578	5,402,851	0.24	0.25
		182,717,131	8.10	8.43
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	132,514	116,970,108	5.19	5.40
INDIAN OIL CORPORATION LTD.	161,400	28,503,240	1.26	1.32
CASTROL INDIA LTD.	79,800	16,351,020	0.73	0.75
BHARAT PETROLEUM CORPORATION LTD.	11,268	4,816,507	0.21	0.22
		166,640,875	7.39	7.69
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	60,544	110,529,126	4.90	5.10
LIC HOUSING FINANCE LTD.	47,000	25,116,800	1.11	1.16
		135,645,926	6.01	6.26
CONSTRUCTION OF UTILITY PROJECTS N.E.C.				
LARSEN & TOUBRO LTD.	96,883	127,003,925	5.63	5.86
		127,003,925	5.63	5.86
MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO				
ITC LIMITED	447,220	114,264,710	5.07	5.27
		114,264,710	5.07	5.27



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme E - Tier I			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
a	Open	23.9274	19.4500
b	High	29.2043	23.9922
c	Low	23.8393	19.0491
d	End	26.6015	23.9272
2	Closing Assets Under Management (Rs. In Lakhs)		
a	End	22,539.24	12,964.28
b	Average (AAUM)	17,020.74	8,712.34
3	Gross income as % of AAUM	14.45%	23.40%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0249%	0.0249%
b	Management Fee as % of AAUM	0.0117%	0.0114%
5	Net Income as a percentage of AAUM	8.71%	20.76%
6	Portfolio turnover ratio	11.63%	1.56%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	11.18%	22.93%
	Last 3 Years	8.42%	14.10%
	Last 5 Years	14.91%	14.49%
	Since Launch of the scheme (May 21, 2009)	11.67%	11.73%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





Retirement Solutions

UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

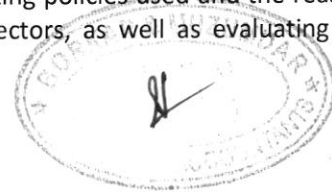
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Scheme E - Tier II (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM' or the 'Company')** which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion


- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:
- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 9 We further certify that
- a) Investments have been valued in accordance with the guidelines issued by the Authority.
b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.*

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani
Partner

M No.: 109386

Place: Mumbai

Date: 18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	7 10 85 534	5 07 99 775
Reserves and Surplus	2	8 22 68 613	4 77 97 013
Current Liabilities and Provisions	3	5 68 109	1 62 285
Total		15 39 22 256	9 87 59 073
Assets			
Investments	4	15 38 87 812	9 87 45 546
Deposits	5	-	-
Other Current Assets	6	34 444	13 527
Total		15 39 22 256	9 87 59 073
(a) Net assets as per Balance Sheets		15 33 54 147	9 85 96 788
(b) Number of units outstanding		71 08 553	50 79 978
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

Devang Vaghani
Partner
Membership No.: 109386
Date: 18 JUL 2018
Place: Mumbai



For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director
Date: 25/04/2018
Place: Mumbai

(Signature)

Leo Puri
Chairman & Director



For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai



Munish Malik

(Chief Executive Officer, NPS Trust)

(Signature)
20/6/18

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		15 06 168	9 38 232
Interest		-	-
Profit on sale/redemption of investments		13 76 405	4 04 037
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1 61 38 170	1 59 76 889
Other income			
- Miscellaneous Income		403	223
Total Income (A)		1 90 21 146	1 73 19 381
Expenses and Losses			
Unrealized losses in value of investments		70 64 933	19 24 921
Loss on sale/redemption of investments		97 798	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		15 232	8 814
NPS Trust fees		12 976	7 664
Custodian fees (including service Tax / GST)		2 899	1 870
Depository and settlement charges (including service Tax / GST)		662	414
CRA Fees		31 706	22 638
Less: Amount recoverable on sale of units on account of CRA Charges		(31 706)	(22 638)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		71 94 500	19 43 683
Surplus/(Deficit) for the year (A-B)		1 18 26 646	1 53 75 698
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(90 73 237)	(1 40 51 968)
Less: Amount transferred (to) / from General Reserve		(27 53 409)	(13 23 730)
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

Devang Vaghani
Partner

Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

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

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik

(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	5 07 99 775	3 79 38 321
Add :Units issued during the year	3 75 38 114	1 89 37 679
Less: Units redeemed during the year	(1 72 52 355)	(60 76 225)
Outstanding at the end of the year	7 10 85 534	5 07 99 775
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	50 79 978	37 93 832
Add :Units issued during the year	37 53 811	18 93 768
Less: Units redeemed during the year	(17 25 236)	(6 07 622)
Outstanding units at the end of the year	71 08 553	50 79 978

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	1 97 21 470	96 97 935
Add: Premium on Units issued	4 24 75 018	1 48 10 582
Less: Premium on Units redeemed	(1 98 30 064)	(47 87 047)
Add: Transfer from General Reserve	-	-
Closing Balance	4 23 66 424	1 97 21 470
General Reserve		
Opening Balance	57 95 184	44 71 454
Add: Transfer from Revenue Account	27 53 409	13 23 730
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	85 48 593	57 95 184
Unrealised Appreciation Account		
Opening Balance	2 22 80 359	82 28 391
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	90 73 237	1 40 51 968
Closing Balance	3 13 53 596	2 22 80 359
Total	8 22 68 613	4 77 97 013

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	9 361	9 864
Bank Overdraft	-	-
Redemption Payable	5 58 581	1 52 336
TDS Payable	167	85
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	5 68 109	1 62 285



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, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	15 08 48 621	9 63 59 005
Preference Shares	47 243	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	29 91 948	23 86 541
Total	15 38 87 812	9 87 45 546

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	19 647	2 737
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	-	-
Dividend Receivable	14 797	10 790
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	34 444	13 527



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, 2018

A. Background

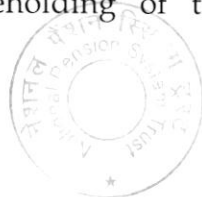
1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare 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.

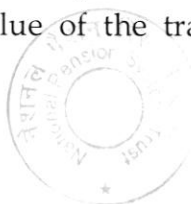
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Investments:**

- a. Investments are accounted on trade date.
- b. Cost is determined on the basis of weighted average cost.
- c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post



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

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

a. Equity:

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

iii. Right entitlement:

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

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.



- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
 - vi. 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.
 - vii. Partly paid bonds are valued at cost till it is fully paid.
 - viii. 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%	₹ 15,232	₹ 8,814

* excluding service tax / GST

** including service tax / GST

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 7108551.0932 and the balance 2.2432 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%	₹ 12,976	₹ 7,664



- 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	%
77.10	593.57	72.62	559.07	44.01	573.57	41.61	542.33

- 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, 2018 is ₹ 47,243. (Previous Year ₹ NIL).

- I. Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 21.5731	₹ 19.4088

- 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	%
1.90	14.64	0.72	5.54	1.73	22.57	0.19	2.53

- 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:

₹ in Crores

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 71.66	₹ 0.30	₹ 41.55	₹ 0.24



M. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is given in Annexure A.

N. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure B.


O. 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
Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai




Balram P Bhagat

Chief Executive Officer
& Whole Time Director

Date : 25/04/2018

Place : Mumbai


Leo Puri

Chairman & Director



For and on behalf of NPS Trust


Ashvin Parekh

Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai




Munish Malik

Munish Malik

(Chief Executive Officer, NPS Trust)

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				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
HDFC BANK LTD.	4,110	7,751,871	5.05	5.14
ICICI BANK LTD.	24,892	6,928,688	4.52	4.59
KOTAK MAHINDRA BANK LTD.	4,145	4,343,131	2.83	2.88
INDUSIND BANK LTD.	2,236	4,017,533	2.62	2.66
STATE BANK OF INDIA	14,194	3,547,081	2.31	2.35
AXIS BANK LTD.	6,628	3,383,594	2.21	2.24
YES BANK	6,950	2,118,708	1.38	1.40
BANK OF BARODA	11,270	1,603,721	1.05	1.06
IDFC BANK LIMITED	5,000	236,750	0.15	0.16
PUNJAB NATIONAL BANK	1,753	167,061	0.11	0.11
		34,098,138	22.23	22.59
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	6,803	7,699,635	5.02	5.10
TATA CONSULTANCY SERVICES LTD.	2,257	6,430,532	4.19	4.26
HCL TECHNOLOGIES LIMITED	1,156	1,119,702	0.73	0.74
TECH MAHINDRA LTD.	1,278	816,259	0.53	0.54
		16,066,128	10.47	10.64
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	4,671	8,527,378	5.56	5.65
LIC HOUSING FINANCE LTD.	3,560	1,902,464	1.24	1.26
		10,429,842	6.80	6.91
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	9,924	8,759,915	5.71	5.81
INDIAN OIL CORPORATION LTD.	4,240	748,784	0.49	0.50
BHARAT PETROLEUM CORPORATION LTD.	1,158	494,987	0.32	0.33
CASTROL INDIA LTD.	2,060	422,094	0.28	0.28
		10,425,780	6.80	6.92
CONSTRUCTION OF UTILITY PROJECTS N.E.C.				
LARSEN & TOUBRO LTD.	6,828	8,950,825	5.84	5.93
		8,950,825	5.84	5.93
MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO				
ITC LIMITED	32,027	8,182,899	5.34	5.42
		8,182,899	5.34	5.42



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme E - Tier II			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	19.4089	15.8697
	High	23.7249	19.4088
	Low	19.2744	15.5261
	End	21.5731	19.4088
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	1,533.54	985.97
	Average (AAUM)	1,298.93	767.32
3	Gross income as % of AAUM	14.64%	22.57%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0244%	0.0244%
b	Management Fee as % of AAUM	0.0117%	0.0114%
5	Net Income as a percentage of AAUM	9.10%	20.04%
6	Portfolio turnover ratio	7.67%	1.49%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	11.15%	22.04%
	Last 3 Years	8.22%	14.28%
	Last 5 Years	14.86%	14.48%
	Since Launch of the scheme (December 14, 2009)	9.71%	9.51%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y)/(no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

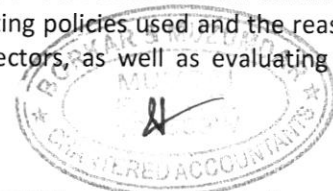
- 1 We have audited the accompanying financial statements of **NPS Trust A/c UTI Retirement Solutions Pension Fund Scheme C - Tier I (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited** ('PFM' or the 'Company') which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements


- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:

- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- 9 We further certify that

- a) *Except as given in note no.7D, Investments have been valued in accordance with the guidelines issued by the PFRDA.*
b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.*

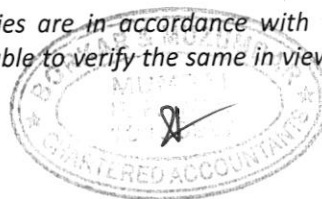
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani
Partner

M No.: 109386

Place: Mumbai

Date: 18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	62 44 42 481	38 77 37 272
Reserves and Surplus	2	77 35 61 688	43 16 45 534
Current Liabilities and Provisions	3	17 99 957	10 99 758
Total		139 98 04 126	82 04 82 564
Assets			
Investments	4	135 34 69 839	79 59 74 259
Deposits	5	-	-
Other Current Assets	6	4 63 34 287	2 45 08 305
Total		139 98 04 126	82 04 82 564
(a) Net assets as per Balance Sheets		139 80 04 169	81 93 82 806
(b) Number of units outstanding		6 24 44 248	3 87 73 727
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		-	-
Interest		7 81 21 780	4 54 44 757
Profit on sale/redemption of investments		13 57 744	11 12 667
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		16 33 679	1 75 42 722
Other income			
- Miscellaneous Income		7	-
Total Income (A)		8 11 13 210	6 41 00 146
Expenses and Losses			
Unrealized losses in value of investments		2 18 09 652	17 51 152
Loss on sale/redemption of investments		-	59 406
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		1 20 596	66 504
NPS Trust fees		1 02 760	57 827
Custodian fees (including service Tax / GST)		35 653	22 238
Depository and settlement charges (including service Tax / GST)		7 629	4 863
CRA Fees		13 05 647	14 54 280
Less: Amount recoverable on sale of units on account of CRA Charges		(13 05 647)	(14 54 280)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		2 20 76 290	19 61 990
Surplus/(Deficit) for the year (A-B)		5 90 36 920	6 21 38 156
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		2 01 75 973	(1 57 91 570)
Less: Amount transferred (to) / from General Reserve		(7 92 12 893)	(4 63 46 586)
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

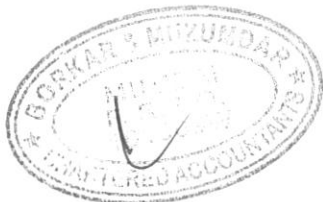
Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	38 77 37 272	22 39 56 320
Add :Units issued during the year	27 23 77 313	18 20 02 058
Less: Units redeemed during the year	(3 56 72 104)	(1 82 21 106)
Outstanding at the end of the year	62 44 42 481	38 77 37 272
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	3 87 73 727	2 23 95 632
Add :Units issued during the year	2 72 37 731	1 82 00 206
Less: Units redeemed during the year	(35 67 210)	(18 22 111)
Outstanding units at the end of the year	6 24 44 248	3 87 73 727

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	30 15 96 422	13 05 53 244
Add: Premium on Units issued	32 53 31 934	18 97 09 556
Less: Premium on Units redeemed	(4 24 52 700)	(1 86 66 378)
Add: Transfer from General Reserve	-	-
Closing Balance	58 44 75 656	30 15 96 422
General Reserve		
Opening Balance	10 37 09 524	5 73 62 938
Add: Transfer from Revenue Account	7 92 12 893	4 63 46 586
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	18 29 22 417	10 37 09 524
Unrealised Appreciation Account		
Opening Balance	2 63 39 588	1 05 48 018
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(2 01 75 973)	1 57 91 570
Closing Balance	61 63 615	2 63 39 588
Total	77 35 61 688	43 16 45 534

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	76 941	60 603
Book Overdraft	-	-
Redemption Payable	17 21 525	10 38 476
TDS Payable	1 491	679
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	17 99 957	10 99 758



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, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	130 91 40 437	77 60 73 045
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/	-	-
Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	4 43 29 402	1 99 01 214
Total	135 34 69 839	79 59 74 259

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	36 24 084	3 32 189
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	4 27 10 203	2 41 76 116
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	4 63 34 287	2 45 08 305



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, 2018

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net Asset Value (NAV). As per the architecture, the NSDL e-Governance Infrastructure Ltd. and Karvy Computershare Private Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units 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;



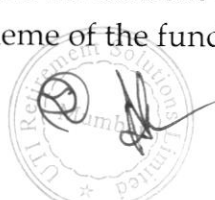
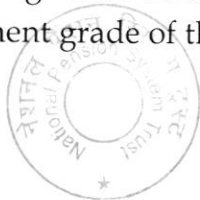
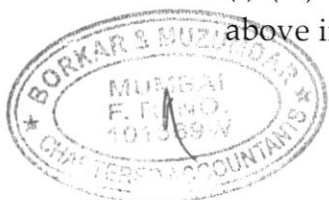
- (ii) maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%, or mandated by prevailing RBI norms, whichever is higher;
- (iii) having net non-performing assets of not more than 4% of the net advances;
- (iv) having a minimum net worth of not less than Rs. 200 crores.
- (e) Units of Debt 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.

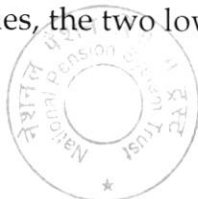
Miscellaneous Investments (upto 5%)

- (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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
 - a. Investments are accounted on trade date.
 - b. Cost is determined on the basis of weighted average cost.
 - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
 - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.



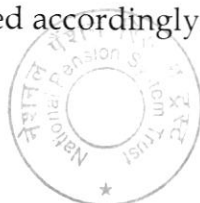
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:

a. Equity:

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

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. 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.



- vii. Partly paid bonds are valued at cost till it is fully paid.
 - viii. 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 31-03-18
1. Securities traded at a stock exchange: When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.

- 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 62444221.6119 and the balance 26.3798 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:

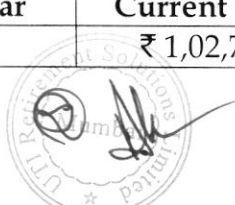
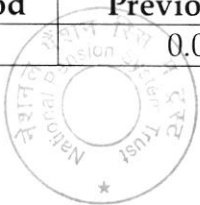
Management Fees % p.a.*		Management Fees **	
Current Year	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 1,20,596	₹ 66,504

* excluding service tax / GST

** including service tax / GST

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

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 1,02,760	₹ 57,827



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	%
544.82	529.43	485.20	471.49	243.17	419.77	205.75	355.18

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, 2018 is ₹ 49.09 Crores. (Previous Year ₹ 25.53 Crores).

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 22.3880	₹ 21.1324

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	%
8.11	7.88	2.21	2.15	6.41	11.07	0.20	0.34

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	₹ 487.50	₹ 4.43	₹ 204.20	₹ 1.99



N. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is given in Annexure A.

O. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure B.

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

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

Devang Vaghani
Partner

M. No. - 109386

Date : 17 8 JUL 2018

Place : Mumbai



For UTI Retirement Solutions Ltd.

Balram P Bhagat

Chief Executive Officer
& Whole Time Director

Date : 25/04/2018

Place : Mumbai

Leo Puri

Chairman & Director



For and on behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai



Munish Malik
(Chief Executive Officer, NPS Trust)

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				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	1,200,000	119,403,583	8.54	9.12
ICICI BANK LTD.	1,080,000	107,806,723	7.71	8.23
HDFC BANK LTD.	450,000	44,723,340	3.20	3.42
IDFC BANK LIMITED	140,000	14,393,756	1.03	1.10
YES BANK	100,000	9,782,160	0.70	0.75
KOTAK MAHINDRA BANK LTD.	80,000	8,234,680	0.59	0.63
PUNJAB NATIONAL BANK	20,000	1,986,560	0.14	0.15
		306,330,802	21.91	23.40
OTHER CREDIT GRANTING				
RURAL ELECTRIFICATION CORPORATION LIMITED	1,210,000	121,342,534	8.68	9.27
POWER FINANCE CORPORATION LTD.	780,000	78,059,951	5.58	5.96
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	50,000	4,803,320	0.34	0.37
CAN FIN HOMES LTD.	30,000	3,044,556	0.22	0.23
		207,250,361	14.82	15.83
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	740,000	73,980,923	5.29	5.65
EXPORT IMPORT BANK OF INDIA	660,000	66,818,756	4.78	5.10
		140,799,679	10.07	10.75
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	960,000	97,559,006	6.98	7.45
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	230,000	23,324,001	1.67	1.78
PNB HOUSING FINANCE LIMITED	80,000	8,087,304	0.58	0.62
		128,970,311	9.23	9.85
CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	1,270,000	124,937,765	8.94	9.54
		124,937,765	8.94	9.54



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme C - Tier I			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	21.1369	18.8666
	High	22.4105	21.1993
	Low	21.0236	18.8666
	End	22.3880	21.1324
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	13,980.04	8,193.83
	Average (AAUM)	10,290.72	5,792.92
3	Gross income as % of AAUM	7.88%	11.07%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0259%	0.0261%
b	Management Fee as % of AAUM	0.0117%	0.0114%
5	Net Income as a percentage of AAUM	5.74%	10.73%
6	Portfolio turnover ratio	0.00%	2.84%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	5.94%	12.04%
	Last 3 Years	8.90%	11.91%
	Last 5 Years	9.53%	11.03%
	Since Launch of the scheme (May 21, 2009)	9.52%	9.98%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) The sales during the period FY 2017-18 was 'Nil' 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





Retirement Solutions

UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

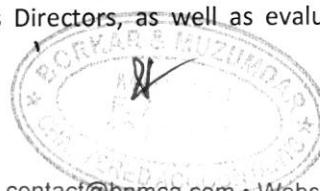
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Scheme C - Tier II (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited** ('PFM' or the 'Company') which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion


- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:
- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 9 We further certify that
- a) Except as given in note no.7D, Investments have been valued in accordance with the guidelines issued by the PFRDA.
b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani

Partner

M No.: 109386

Place: Mumbai

Date: 18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	4 61 17 250	3 31 34 013
Reserves and Surplus	2	5 26 08 924	3 37 10 695
Current Liabilities and Provisions	3	2 53 042	1 13 784
Total		9 89 79 216	6 69 58 492
Assets			
Investments	4	9 52 28 552	6 46 43 930
Deposits	5	-	-
Other Current Assets	6	37 50 664	23 14 562
Total		9 89 79 216	6 69 58 492
(a) Net assets as per Balance Sheets		9 87 26 174	6 68 44 708
(b) Number of units outstanding		46 11 725	33 13 401
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik
(Chief Executive Officer, NPS Trust)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		-	-
Interest		62 73 296	43 30 364
Profit on sale/redemption of investments		1 14 788	1 04 495
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1 48 623	15 21 705
Other income			
- Miscellaneous Income		7	-
Total Income (A)		65 36 714	59 56 564
Expenses and Losses			
Unrealized losses in value of investments		18 76 449	1 60 376
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		9 600	6 362
NPS Trust fees		8 180	5 534
Custodian fees (including service Tax / GST)		2 864	2 153
Depository and settlement charges (including service Tax / GST)		1 300	774
CRA Fees		16 698	13 862
Less: Amount recoverable on sale of units on account of CRA Charges		(16 698)	(13 862)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		18 98 393	1 75 199
Surplus/(Deficit) for the year (A-B)		46 38 321	57 81 365
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		17 27 826	(13 61 329)
Less: Amount transferred (to) / from General Reserve		(63 66 147)	(44 20 036)
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

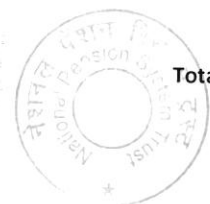
Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	3 31 34 013	2 53 87 262
Add :Units issued during the year	2 09 94 465	1 23 54 035
Less: Units redeemed during the year	(80 11 228)	(46 07 284)
Outstanding at the end of the year	4 61 17 250	3 31 34 013
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	33 13 401	25 38 726
Add :Units issued during the year	20 99 447	12 35 403
Less: Units redeemed during the year	(8 01 123)	(4 60 728)
Outstanding units at the end of the year	46 11 725	33 13 401

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	1 76 28 870	1 01 84 506
Add: Premium on Units issued	2 29 98 577	1 17 20 629
Less: Premium on Units redeemed	(87 38 669)	(42 76 265)
Add: Transfer from General Reserve	-	-
Closing Balance	3 18 88 778	1 76 28 870
General Reserve		
Opening Balance	1 34 13 461	89 93 425
Add: Transfer from Revenue Account	63 66 147	44 20 036
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	1 97 79 608	1 34 13 461
Unrealised Appreciation Account		
Opening Balance	26 68 364	13 07 035
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(17 27 826)	13 61 329
Closing Balance	9 40 538	26 68 364
Total	5 26 08 924	3 37 10 695

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	6 227	5 915
Book Overdraft	-	-
Redemption Payable	2 46 698	1 07 811
TDS Payable	117	58
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	2 53 042	1 13 784



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, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	9 33 46 090	6 31 12 524
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/	-	-
Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	18 82 462	15 31 406
Total	9 52 28 552	6 46 43 930

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	3 79 070	2 08 908
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	33 71 594	21 05 654
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	37 50 664	23 14 562



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, 2018

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare 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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
 - a. Investments are accounted on trade date.
 - b. Cost is determined on the basis of weighted average cost.
 - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
 - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.



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

a. Equity:

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

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.



- vi. 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.
 - vii. Partly paid bonds are valued at cost till it is fully paid.
 - viii. 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 31-03-18
1. Securities traded at a stock exchange: When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.

- 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 4611722.6996 and the balance 2.2548 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%	₹ 9,600	₹ 6,362

* excluding service tax / GST

** including service tax / GST

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

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 8,180	₹ 5,534



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	%
39.07	477.13	35.76	436.70	20.06	361.98	18.15	327.61

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, 2018 is ₹ 3.99 Crores. (Previous Year ₹ 2.34 Crore).

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 21.4076	₹ 20.1740

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	%
0.65	7.98	0.19	2.32	0.60	10.75	0.02	0.32

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	₹ 35.78	₹ 0.19	₹ 18.11	₹ 0.15



- N. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is given in Annexure A.
- O. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure B.
- P. The Previous Year figures are regrouped/ reclassified, wherever necessary.

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


Devang Vaghani
Partner

M. No. - 109386

Date :

Place : Mumbai




For UTI Retirement Solutions Ltd.


Balram P Bhagat

**Chief Executive Officer
& Whole Time Director**

Date : 25/04/2018

Place : Mumbai


Leo Puri

Chairman & Director



For and on behalf of NPS Trust

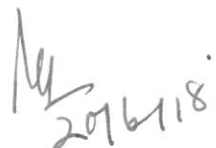

Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai




Munish Malik
(Chief Executive Officer, NPS Trust)

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				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	80,000	8,068,279	8.17	8.64
HDFC BANK LTD.	60,000	5,963,112	6.04	6.39
AXIS BANK LTD.	50,000	5,213,763	5.28	5.59
IDFC BANK LIMITED	10,000	1,037,055	1.05	1.11
KOTAK MAHINDRA BANK LTD.	10,000	1,029,335	1.04	1.10
		21,311,544	21.58	22.83
OTHER CREDIT GRANTING				
POWER FINANCE CORPORATION LTD.	90,000	9,017,702	9.13	9.66
RURAL ELECTRIFICATION CORPORATION LIMITED	80,000	8,069,369	8.17	8.64
		17,087,071	17.30	18.30
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	80,000	8,091,001	8.20	8.67
PNB HOUSING FINANCE LIMITED	30,000	3,031,717	3.07	3.25
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	10,000	1,019,423	1.03	1.09
		12,142,141	12.30	13.01
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	70,000	7,062,823	7.15	7.57
		7,062,823	7.15	7.57
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	50,000	5,225,604	5.29	5.60
		5,225,604	5.29	5.60



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme C - Tier II			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	20.1784	18.0733
	High	21.4076	20.2420
	Low	20.0753	18.0733
	End	21.4076	20.1740
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	987.26	668.45
	Average (AAUM)	818.88	554.08
3	Gross income as % of AAUM	7.98%	10.75%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0268%	0.0267%
b	Management Fee as % of AAUM	0.0117%	0.0114%
5	Net Income as a percentage of AAUM	5.66%	10.43%
6	Portfolio turnover ratio	0.00%	1.95%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	6.11%	11.65%
	Last 3 Years	8.75%	11.76%
	Last 5 Years	9.40%	10.77%
	Since Launch of the scheme (December 14, 2009)	9.61%	10.09%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) The sales during the period FY 2017-18 was 'Nil' 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			



UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

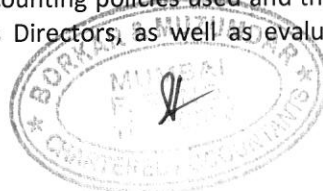
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme G - Tier I (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM' or the 'Company')** which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:

- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account¹ of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- 9 We further certify that

- a) *Except as given in note no.7D, Investments have been valued in accordance with the guidelines issued by the PFRDA.*
b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.*

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani

Partner

M No.: 109386

Place: Mumbai

Date: 18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	102 40 43 986	62 73 83 134
Reserves and Surplus	2	106 65 27 809	60 16 14 798
Current Liabilities and Provisions	3	23 04 910	25 33 532
Total		209 28 76 705	123 15 31 464
Assets			
Investments	4	205 82 84 518	121 13 00 431
Deposits	5	-	-
Other Current Assets	6	3 45 92 187	2 02 31 033
Total		209 28 76 705	123 15 31 464
(a) Net assets as per Balance Sheets		209 05 71 795	122 89 97 932
(b) Number of units outstanding		10 24 04 399	6 27 38 314
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

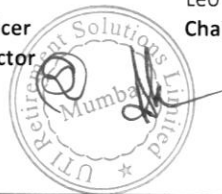


For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director



For and on Behalf of NPS Trust

Ashvin Parekh
(Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai



Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		-	-
Interest		11 35 61 077	6 38 95 677
Profit on sale/redemption of investments		52 67 859	65 01 645
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		36 11 980	1 80 84 697
Other income			
- Miscellaneous Income		156	-
Total Income (A)		12 24 41 072	8 84 82 019
Expenses and Losses			
Unrealized losses in value of investments		5 76 47 117	37 84 441
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		1 83 269	1 00 124
NPS Trust fees		1 56 161	87 066
Custodian fees (including service Tax / GST)		54 732	33 049
Depository and settlement charges (including service Tax / GST)		21 931	13 175
CRA Fees		19 92 576	22 21 433
Less: Amount recoverable on sale of units on account of CRA Charges		(19 92 576)	(22 21 433)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		5 80 63 210	40 17 855
Surplus/(Deficit) for the year (A-B)		6 43 77 862	8 44 64 164
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		3 02 71 615	(1 43 00 256)
Less: Amount transferred (to) / from General Reserve		(9 46 49 477)	(7 01 63 908)
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

Devang Vaghani
Partner

Membership No.: 109386

Date:
Place: Mumbai



For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director



For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date:
Place: Mumbai



Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	62 73 83 134	35 76 95 388
Add :Units issued during the year	44 39 70 239	30 14 72 147
Less: Units redeemed during the year	(4 73 09 387)	(3 17 84 401)
Outstanding at the end of the year	102 40 43 986	62 73 83 134

(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	6 27 38 314	3 57 69 539
Add :Units issued during the year	4 43 97 024	3 01 47 215
Less: Units redeemed during the year	(47 30 939)	(31 78 440)
Outstanding units at the end of the year	10 24 04 399	6 27 38 314

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	41 85 92 061	17 12 98 434
Add: Premium on Units issued	44 86 20 296	27 58 41 930
Less: Premium on Units redeemed	(4 80 85 147)	(2 85 48 303)
Add: Transfer from General Reserve	-	-
Closing Balance	81 91 27 210	41 85 92 061
General Reserve		
Opening Balance	15 27 51 122	8 25 87 214
Add: Transfer from Revenue Account	9 46 49 477	7 01 63 908
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	24 74 00 599	15 27 51 122
Unrealised Appreciation Account		
Opening Balance	3 02 71 615	1 59 71 359
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(3 02 71 615)	1 43 00 256
Closing Balance	-	3 02 71 615
Total	106 65 27 809	60 16 14 798

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	1 20 766	95 918
Book Overdraft	-	-
Redemption Payable	21 81 684	24 36 599
TDS Payable	2 460	1 015
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	23 04 910	25 33 532



Total



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, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	201 40 32 360	117 35 72 523
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	4 42 52 158	3 77 27 908
Total	205 82 84 518	121 13 00 431

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	21 88 786	-
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	3 24 03 401	2 02 31 033
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	3 45 92 187	2 02 31 033



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, 2018

A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare Net 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



specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. Investments:

- a. Investments are accounted on trade date.
- b. Cost is determined on the basis of weighted average cost.
- c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.

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

a. Equity:

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

iii. Right entitlement:

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.



b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. 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.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

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



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

PFRDA Guidelines	Valuation Policy	Impact as on 31-03-18
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 ₹ 0.84 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 102404367.1027 and the balance 31.4440 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%	₹ 1,83,269	₹ 1,00,124

* excluding service tax / GST

** including service tax / GST

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

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 1,56,161	₹ 87,066

- 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	%
702.15	448.99	611.31	390.90	340.78	390.70	282.67	324.08

₹ 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, 2018 is ₹ NIL. (Previous Year ₹ NIL)

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 20.4148	₹ 19.5892

- 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	%
12.24	7.83	5.81	3.71	8.85	10.14	0.40	0.46

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	₹ 600.44	₹ 4.43	₹ 269.80	₹ 3.77

- N. Details of Net Unrealized Gains / (Losses) for the period are given below:

₹ in Crores

Particular	Current Year	Previous Year
Net Unrealized Gains / (Losses)	₹ (5.40)	₹ 1.43

- O. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure A.



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

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

Devang Vaghani

Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai



For UTI Retirement Solutions Ltd.

Balram P Bhagat

Chief Executive Officer
& Whole Time Director

Date : 25/04/2018

Place : Mumbai

Leo Puri

Chairman & Director



For and on behalf of NPS Trust

Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai



Munish Malik

(Chief Executive Officer, NPS Trust)

Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme G - Tier I			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	19.5933	17.5487
	High	20.6435	20.5843
	Low	19.4233	17.5487
	End	20.4148	19.5892
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	20,905.72	12,289.98
	Average (AAUM)	15,638.43	8,722.34
3	Gross income as % of AAUM	7.83%	10.14%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0266%	0.0267%
b	Management Fee as % of AAUM	0.0117%	0.0114%
5	Net Income as a percentage of AAUM	4.12%	9.68%
6	Portfolio turnover ratio	7.11%	1.49%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	4.21%	11.66%
	Last 3 Years	7.62%	12.82%
	Last 5 Years	8.61%	10.49%
	Since Launch of the scheme (May 21, 2009)	8.38%	8.92%
Remarks / Formula / Method of Calculation			
* Declared NAV; Returns calculated based on declared NAV			
1	NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no.		
1a	Closing NAV as on 1st April of the Current F Y		
1b	Highest NAV during the F Y		
1c	Lowest NAV during the F Y		
1d	Closing NAV as on 31st March of the Current F Y		
2b	AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y)		
3	Gross Income = Total Income as per Revenue Account		
4a	Total Expenses = Total Expenses as per Revenue Account		
4b	Investment Management fees (Including applicable Taxes) as per Revenue Account		
5	Net Income = Surplus / Deficit as per Revenue Account		
6	Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)		
7	CAGR = ((1+ cumulative return)^n) -1 (where n=365/no. of days)		





UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

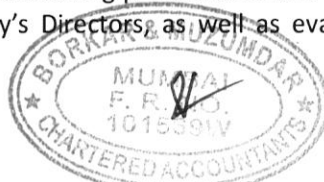
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Scheme G - Tier II (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited** ('PFM' or the 'Company') which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.


Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
- (b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:
- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
- c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
- d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 9 We further certify that
- a) *Except as given in note no.7D, Investments have been valued in accordance with the guidelines issued by the PFRDA.*
- b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.*

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani
Partner

M No.: 109386

Place: Mumbai

Date: 17 8 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	5 63 86 666	4 06 32 143
Reserves and Surplus	2	6 17 20 193	4 09 03 494
Current Liabilities and Provisions	3	4 16 375	3 43 367
Total		11 85 23 234	8 18 79 004
Assets			
Investments	4	11 63 56 969	8 05 32 028
Deposits	5	-	-
Other Current Assets	6	21 66 265	13 46 976
Total		11 85 23 234	8 18 79 004
(a) Net assets as per Balance Sheets		11 81 06 859	8 15 35 637
(b) Number of units outstanding		56 38 667	40 63 213
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Bhram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Ashvin Parekh)
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik

(Chief Executive Officer, NPS Trust)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		-	-
Interest		73 01 807	48 36 092
Profit on sale/redemption of investments		2 64 718	1 86 256
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		87 577	17 73 013
Other income			
- Miscellaneous Income		11	-
Total Income (A)		76 54 113	67 95 361
Expenses and Losses			
Unrealized losses in value of investments		37 17 947	2 62 859
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		11 712	7 563
NPS Trust fees		9 979	6 575
Custodian fees (including service Tax / GST)		3 458	2 491
Depository and settlement charges (including service Tax / GST)		2 253	1 652
CRA Fees		19 747	16 271
Less: Amount recoverable on sale of units on account of CRA Charges		(19 747)	(16 271)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		37 45 349	2 81 140
Surplus/(Deficit) for the year (A-B)		39 08 764	65 14 221
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		25 77 576	(15 10 154)
Less: Amount transferred (to) / from General Reserve		(64 86 340)	(50 04 067)
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

Devang Vaghani
Partner

Membership No.: 109386

Date:

Place: Mumbai

18 JUL 2018

For UTI Retirement Solutions Ltd.

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

Date: 25/04/2018

Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date:

Place: Mumbai

28 JUN 2018

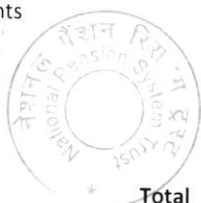
Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	4 06 32 143	2 85 43 461
Add :Units issued during the year	2 48 00 981	1 58 07 920
Less: Units redeemed during the year	(90 46 458)	(37 19 238)
Outstanding at the end of the year	5 63 86 666	4 06 32 143
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	40 63 213	28 54 345
Add :Units issued during the year	24 80 100	15 80 792
Less: Units redeemed during the year	(9 04 646)	(3 71 924)
Outstanding units at the end of the year	56 38 667	40 63 213

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	2 40 45 402	1 22 71 531
Add: Premium on Units issued	2 65 89 049	1 53 55 820
Less: Premium on Units redeemed	(96 81 114)	(35 81 949)
Add: Transfer from General Reserve	-	-
Closing Balance	4 09 53 337	2 40 45 402
General Reserve		
Opening Balance	1 42 80 516	92 76 449
Add: Transfer from Revenue Account	64 86 340	50 04 067
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	2 07 66 856	1 42 80 516
Unrealised Appreciation Account		
Opening Balance	25 77 576	10 67 422
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(25 77 576)	15 10 154
Closing Balance	-	25 77 576
Total	6 17 20 193	4 09 03 494

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	7 452	7 698
Book Overdraft	-	-
Redemption Payable	4 08 778	3 35 599
TDS Payable	145	70
Contracts for Purchase of Investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	4 16 375	3 43 367

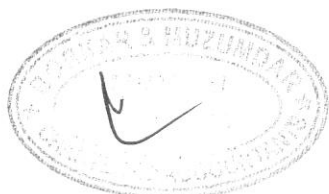


NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	11 53 73 907	7 86 20 552
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	9 83 062	19 11 476
Total	11 63 56 969	8 05 32 028

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	1 21 323	1
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	20 44 942	13 46 975
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	21 66 265	13 46 976



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, 2018

A. Background

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



3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records 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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
 - a. Investments are accounted on trade date.
 - b. Cost is determined on the basis of weighted average cost.
 - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
 - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex -date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
 - a. **Equity:**
 - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
 - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.



iii. **Right entitlement:**

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

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. 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.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. 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:

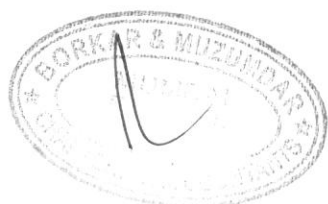
- Dividend income is accrued on the "ex-dividend" date.
- Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not 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 31-03-18
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 ₹ 0.05 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 5638664.1112 and the balance 2.4964 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%	₹ 11,712	₹ 7,563

* excluding service tax / GST

** including service tax / GST

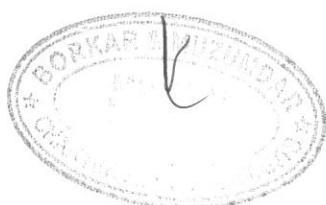
- G. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 9,979	₹ 6,575

- 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	%
44.16	442.11	40.18	402.25	21.28	323.23	18.38	279.21

- 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, 2018 is ₹ NIL. (Previous Year ₹ NIL)



J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 20.9458	₹ 20.0667

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	%
0.77	7.66	0.37	3.75	0.68	10.32	0.03	0.43

L. Other disclosures:

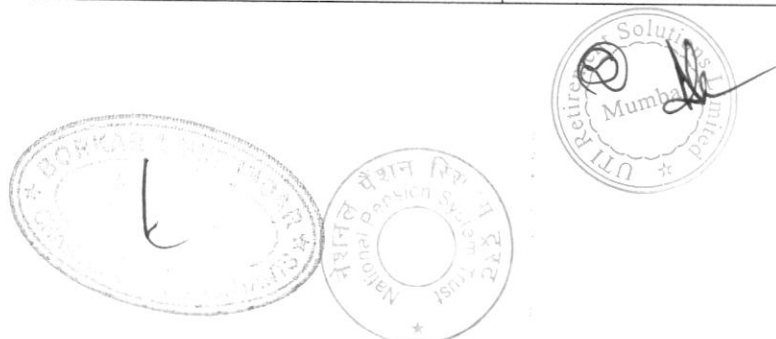
Particulars	Current Year	Previous Year
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	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	₹ 39.64	₹ 0.10	₹ 18.29	₹ 0.19

N. Details of Net Unrealized Gains / (Losses) for the period are given below:

Particular	Current Year	Previous Year
Net Unrealized Gains/(Losses)	₹ (0.36)	₹ 0.15



O. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure A.

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

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

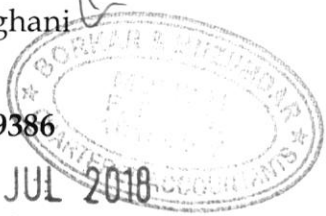
Devang Vaghani

Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai



For UTI Retirement Solutions Ltd.

Balram P Bhagat

Chief Executive Officer
& Whole Time Director

Date : 25/04/2018

Place : Mumbai

Leo Puri

Chairman & Director



For and on behalf of NPS Trust

Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai



Munish Malik

(Chief Executive Officer, NPS Trust)

Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme G - Tier II			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	20.0709	17.9272
	High	21.1848	21.0642
	Low	19.8835	17.9272
	End	20.9458	20.0667
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	1,181.07	815.36
	Average (AAUM)	998.92	658.35
3	Gross income as % of AAUM	7.66%	10.32%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0274%	0.0278%
b	Management Fee as % of AAUM	0.0117%	0.0114%
5	Net Income as a percentage of AAUM	3.91%	9.89%
6	Portfolio turnover ratio	4.26%	3.07%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	4.38%	11.96%
	Last 3 Years	7.82%	13.03%
	Last 5 Years	8.65%	10.49%
	Since Launch of the scheme (December 14, 2009)	9.32%	10.01%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





Retirement Solutions

UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

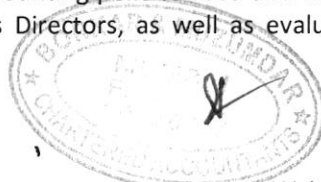
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme A - Tier I (Scheme under the National Pension System Trust (NPS Trust))** managed by **UTI Retirement Solutions Limited** ('PFM' or the 'Company') which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

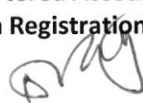
- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:
- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
- c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
- d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 9 We further certify that
- a) Investments have been valued in accordance with the guidelines issued by the Authority.
- b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no. 7A.*

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

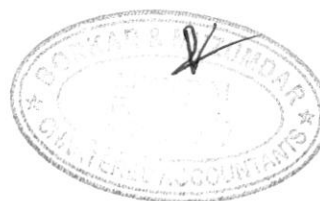

Devang Vaghani

Partner

M No.: 109386

Place: Mumbai

Date: 18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	34 20 117	5 38 720
Reserves and Surplus	2	3 36 818	15 260
Current Liabilities and Provisions	3	481	13
Total		37 57 416	5 53 993
Assets			
Investments	4	37 57 415	5 53 993
Deposits	5	-	-
Other Current Assets	6	1	-
Total		37 57 416	5 53 993
(a) Net assets as per Balance Sheets		37 56 935	5 53 980
(b) Number of units outstanding		3 42 012	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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Ashvin Parekh
Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Period ended March 31, 2017 ₹
Income			
Dividend		-	-
Interest		-	-
Profit on sale/redemption of investments		65 138	4 888
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		30 700	1
Other income			
- Miscellaneous Income		7	-
Total Income (A)		95 845	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 / GST)		165	8
NPS Trust fees		140	7
Custodian fees (including service Tax / GST)		-	-
Depository and settlement charges (including service Tax / GST)		-	-
CRA Fees		3 626	1 105
Less: Amount recoverable on sale of units on account of CRA Charges		(3 626)	(1 105)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		305	15
Surplus/(Deficit) for the year (A-B)		95 540	4 874
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(30 700)	(1)
Less: Amount transferred (to) / from General Reserve		(64 840)	(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

Devang Vaghani
Partner
Membership No.: 109386
Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
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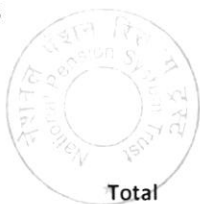
Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	5 38 720	-
Add :Units issued during the year	30 41 468	5 41 964
Less: Units redeemed during the year	(1 60 071)	(3 244)
Outstanding at the end of the year	34 20 117	5 38 720
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	53 872	-
Add :Units issued during the year	3 04 147	54 196
Less: Units redeemed during the year	(16 007)	(324)
Outstanding units at the end of the year	3 42 012	53 872

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	10 386	-
Add: Premium on Units issued	2 38 929	10 440
Less: Premium on Units redeemed	(12 911)	(54)
Add: Transfer from General Reserve	-	-
Closing Balance	2 36 404	10 386
General Reserve		
Opening Balance	4 873	-
Add: Transfer from Revenue Account	64 840	4 873
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	69 713	4 873
Unrealised Appreciation Account		
Opening Balance	1	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	30 700	1
Closing Balance	30 701	1
Total	3 36 818	15 260

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	127	13
Book Overdraft	-	-
Redemption Payable	351	-
TDS Payable	3	-
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	481	13

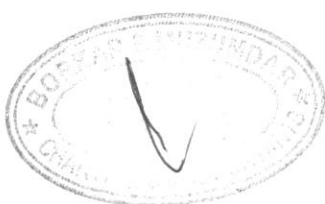


NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	37 57 415	5 53 993
Total	37 57 415	5 53 993

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	1	-
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	-	-
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	1	-



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 YEAR ENDED MARCH 31, 2018

A. Background

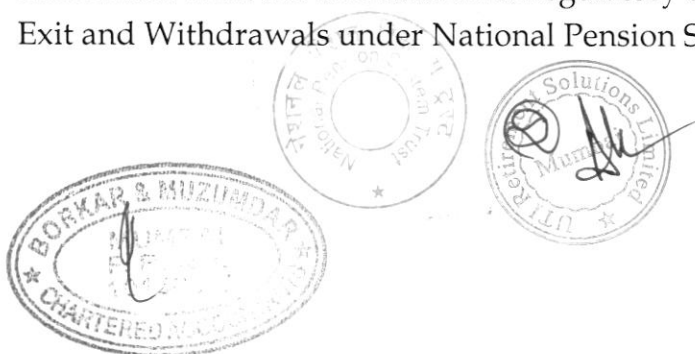
1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the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



3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records 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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
 - a. Investments are accounted on trade date.
 - b. Cost is determined on the basis of weighted average cost.
 - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
 - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.



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

a. Equity:

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

iii. Right entitlement:

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

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.



- vi. 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.
 - vii. Partly paid bonds are valued at cost till it is fully paid.
 - viii. 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 342011.4085 and the balance 0.2890 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:

Management Fees % p.a.*		Management Fees **	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 165	₹ 8

* excluding service tax / GST

** including service tax / GST

- 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%	₹ 140	₹ 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 Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
7.09	5019.09	6.78	4799.06	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, 2018 is ₹ NIL. (Previous Year ₹ NIL)

I. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 10.9848	₹ 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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹	%	₹	%	₹	%	₹	%
95,844.50	6.79	304.78	0.02	4,889.49	6.50	15.49	0.02

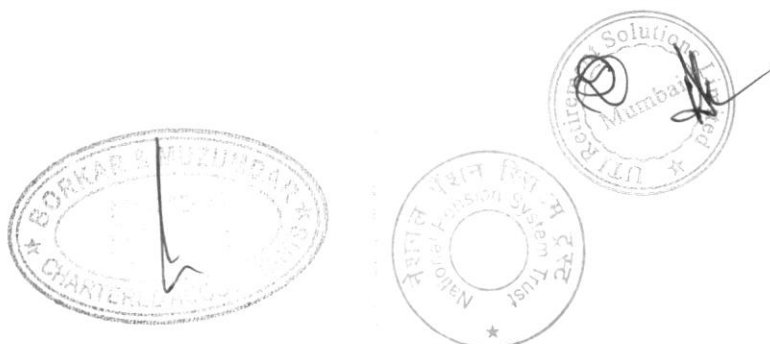
K. Other disclosures:

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:

Name of Scheme	Current Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 7.09	₹ 0.38	₹ 1.81	₹ 0.06

₹ in Crores



M. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is Nil.

N. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure A.

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

For M/s Borkar & Muzumdar

Chartered Accountants

Firm Registration No.:101569W

Devang Vaghani

Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai



For UTI Retirement Solutions Ltd.

Balfam P Bhagat

Chief Executive Officer

& Whole Time Director

Date : 25/04/2018

Place : Mumbai

Leo Puri

Chairman & Director



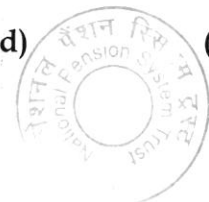
For and on behalf of NPS Trust

Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai



Munish Malik

(Chief Executive Officer, NPS Trust)

Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme A - Tier I			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	10.2859	10.0000
	High	10.9848	10.2832
	Low	10.2859	10.0000
	End	10.9848	10.2832
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	37.56	5.54
	Average (AAUM)	14.12	0.75
3	Gross income as % of AAUM	6.79%	6.50%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0216%	0.0200%
b	Management Fee as % of AAUM	0.0117%	0.0106%
5	Net Income as a percentage of AAUM	6.76%	6.48%
6	Portfolio turnover ratio	-	-
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	6.82%	NA
	Last 3 Years	NA	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme (October 14, 2016)	6.59%	2.83%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Scheme A - Tier II (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited** ('PFM' or the 'Company') which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:

- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- 9 We further certify that

- a) Investments have been valued in accordance with the guidelines issued by the Authority.
b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no. 7A.*

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani

Partner

M No.: 109386

Place: Mumbai

Date: 18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	-	40 236
Reserves and Surplus	2	-	1 157
Current Liabilities and Provisions	3	27	32
Total		27	41 425
Assets			
Investments	4	-	41 424
Deposits	5	-	-
Other Current Assets	6	27	1
Total		27	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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai



For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director



For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai



Munish Malik
(Chief Executive Officer, NPS Trust)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME A - TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Period ended March 31, 2017 ₹
Income			
Dividend		-	-
Interest		-	-
Profit on sale/redemption of investments		794	499
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		-	1
Other income		-	-
- Miscellaneous Income		-	-
Total Income (A)		794	500
Expenses and Losses			
Unrealized losses in value of investments		1	-
Loss on sale/redemption of investments		-	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		1	1
NPS Trust fees		1	1
Custodian fees (including service Tax / GST)		-	-
Depository and settlement charges (including service Tax / GST)		-	-
CRA Fees		29	36
Less: Amount recoverable on sale of units on account of CRA Charges		(29)	(36)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		3	2
Surplus/(Deficit) for the year (A-B)		791	498
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		1	(1)
Less: Amount transferred (to) / from General Reserve		(792)	(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

Devang Vaghani
Partner

Membership No.: 109386

Date:

Place: Mumbai

For UTI Retirement Solutions Ltd.

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

Date: 25/04/2018

Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date:

Place: Mumbai

Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	40 236	-
Add :Units issued during the year	36 964	40 716
Less: Units redeemed during the year	(77 200)	(480)
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	4 024	-
Add :Units issued during the year	3 696	4 072
Less: Units redeemed during the year	(7 720)	(48)
Outstanding units at the end of the year	-	4 024

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	659	-
Add: Premium on Units issued	1 302	669
Less: Premium on Units redeemed	(3 250)	(10)
Add: Transfer from General Reserve	1 289	-
Closing Balance	-	659
General Reserve		
Opening Balance	497	-
Add: Transfer from Revenue Account	792	497
Less: Transfer to Unit Premium Reserve	(1 289)	-
Closing Balance	-	497
Unrealised Appreciation Account		
Opening Balance	1	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(1)	1
Closing Balance	-	1
Total	-	1 157

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	27	2
Book Overdraft	-	-
Redemption Payable	-	30
TDS Payable	-	-
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	27	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, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securitie	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	-	41 424
Total	-	41 424

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	27	1
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	-	-
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	27	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 YEAR ENDED MARCH 31, 2018

A. Background

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



3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records 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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
 - a. Investments are accounted on trade date.
 - b. Cost is determined on the basis of weighted average cost.
 - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
 - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
 - a. **Equity:**
 - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.



ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.

b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. 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.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.



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



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

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

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

* excluding service tax / GST

** including service tax / GST

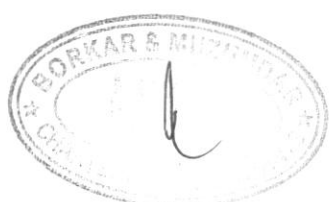
F. NPS Trust Charges: The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

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

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

₹ in Crores							
Current Year				Previous Year			
Purchase	%	Sales	%	Purchase	%	Sales	%
0.29	25,869.71	0.29	26,248.75	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, 2018 is ₹ NIL. (Previous Year ₹ NIL)



I. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 10.0000	₹ 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 Year				Previous Year			
Income		Expenditure		Income		Expenditure	
₹	%	₹	%	₹	%	₹	%
793.63	7.13	3.14	0.03	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 Year		Previous Year	
	Purchase	Outstanding	Purchase	Outstanding
UTI - Liquid Cash Plan - Institutional - Direct Plan - Growth	₹ 0.29	₹ Nil	₹ 0.18	₹ 0.004

M. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is Nil.

N. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure A.



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

For M/s Borkar & Muzumdar

Chartered Accountants

Firm Registration No.:101569W

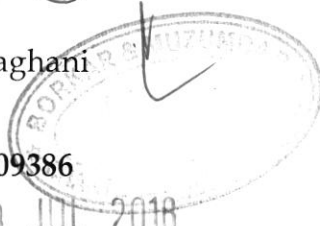

Devang Vaghani

Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai



For UTI Retirement Solutions Ltd.


Balram P Bhagat

**Chief Executive Officer
& Whole Time Director**

Date : 25/04/2018

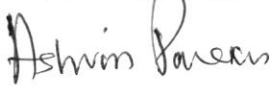
Place : Mumbai


Leo Puri

Chairman & Director



For and on behalf of NPS Trust

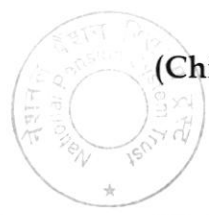

Ashvin Parekh

Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai




Munish Malik

(Chief Executive Officer, NPS Trust)

Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme A - Tier II			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	10.2903	10.0000
	High	10.4456	10.2876
	Low	10.0000	10.0000
	End	10.0000	10.2876
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	0.00	0.41
	Average (AAUM)	0.11	0.08
3	Gross income as % of AAUM	-	6.58%
4	Expense Ratio		
a	Total Expense as % of AAUM	-	0.0260%
b	Management Fee as % of AAUM	-	0.0131%
5	Net Income as a percentage of AAUM		6.55%
6	Portfolio turnover ratio	-	-
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	NA	NA
	Last 3 Years	NA	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme (October 20, 2016)	NA	2.88%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n - 1)$ (where n=365/no. of days)			





Retirement Solutions

UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

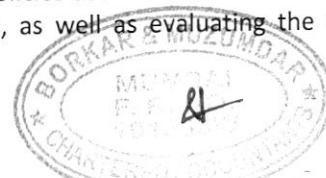
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme – Central Government (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM' or the 'Company')** which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

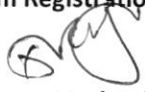
- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:

- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- 9 We further certify that

- a) *Except as given in note no.7D, Investments have been valued in accordance with the guidelines issued by the PFRDA.*
b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.*

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani

Partner

M No.: 109386

Place: Mumbai

Date:

18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	11196 17 63 154	9352 72 51 372
Reserves and Surplus	2	17156 29 38 028	12938 42 53 921
Current Liabilities and Provisions	3	4 85 11 642	3 03 53 270
Total		28357 32 12 824	22294 18 58 563
Assets			
Investments	4	27689 45 43 970	21769 62 86 079
Deposits	5	-	20 00 00 000
Other Current Assets	6	667 86 68 854	504 55 72 484
Total		28357 32 12 824	22294 18 58 563
(a) Net assets as per Balance Sheets		28352 47 01 182	22291 15 05 293
(b) Number of units outstanding		1119 61 76 315	935 27 25 137
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Ashvin Parekh
Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik
(Chief Executive Officer, NPS Trust)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		45 44 63 605	29 67 25 114
Interest		1673 19 18 120	1304 36 86 270
Profit on sale/redemption of investments		133 27 51 315	51 99 67 616
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		450 46 97 398	1056 06 61 975
Other income			
- Miscellaneous Income		340	69
Total Income (A)		2302 38 30 778	2442 10 41 044
Expenses and Losses			
Unrealized losses in value of investments		805 28 99 588	82 16 61 469
Loss on sale/redemption of investments		12 75 19 555	41 15 354
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		3 06 78 755	2 26 57 573
NPS Trust fees		2 56 36 178	1 93 15 921
Custodian fees (including service Tax / GST)		84 31 023	71 66 734
Depository and settlement charges (including service Tax / GST)		18 14 417	11 34 895
CRA Fees		52 765	34 551
Less: Amount recoverable on sale of units on account of CRA Charges		(52 765)	(34 551)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		824 69 79 516	87 60 51 946
Surplus/(Deficit) for the year (A-B)		1477 68 51 262	2354 49 89 098
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		354 82 02 190	(973 90 00 506)
Less: Amount transferred (to) / from General Reserve		(1832 50 53 452)	(1380 59 88 592)
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

Devang Vaghani
Partner
Membership No.: 109386

Date: **18 JUL 2018**
Place: Mumbai

For UTI Retirement Solutions Ltd.

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

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashwin Parekh
(Chairman, NPS Trust Board)

Date: **28 JUN 2018**
Place: Mumbai

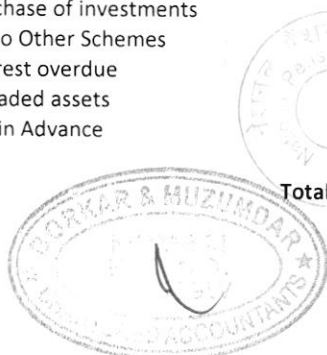
Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	9352 72 51 372	7613 88 38 794
Add :Units issued during the year	1900 95 96 292	1778 13 93 953
Less: Units redeemed during the year	(57 50 84 510)	(39 29 81 375)
Outstanding at the end of the year	11196 17 63 154	9352 72 51 372
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	935 27 25 137	761 38 83 879
Add :Units issued during the year	190 09 59 629	177 81 39 395
Less: Units redeemed during the year	(5 75 08 451)	(3 92 98 137)
Outstanding units at the end of the year	1119 61 76 315	935 27 25 137

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	6592 04 85 381	4363 54 39 891
Add: Premium on Units issued	2826 13 92 064	2278 60 00 878
Less: Premium on Units redeemed	(85 95 59 219)	(50 09 55 388)
Add: Transfer from General Reserve	-	-
Closing Balance	9332 23 18 226	6592 04 85 381
General Reserve		
Opening Balance	4780 37 45 471	3399 77 56 879
Add: Transfer from Revenue Account	1832 50 53 452	1380 59 88 592
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	6612 87 98 923	4780 37 45 471
Unrealised Appreciation Reserve		
Opening Balance	1566 00 23 069	592 10 22 563
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(354 82 02 190)	973 90 00 506
Closing Balance	1211 18 20 879	1566 00 23 069
Total	17156 29 38 028	12938 42 53 921

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	1 78 68 424	1 95 35 766
Book Overdraft	-	-
Redemption Payable	3 03 16 485	1 06 19 331
TDS Payable	3 26 733	1 98 173
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	4 85 11 642	3 03 53 270



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, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	3845 55 92 956	3053 16 47 718
Preference Shares	1 28 14 923	-
Debentures and Bonds Listed/Awaiting Listing	9837 85 74 639	7964 81 95 835
Central and State Government Securities (including treasury bills)	13857 37 51 519	10606 27 19 633
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/	-	-
Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	147 38 09 933	145 37 22 893
Total	27689 45 43 970	21769 62 86 079

Schedule 5	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Deposits		
Deposits with Scheduled Banks	-	20 00 00 000
Total	-	20 00 00 000

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	31 79 47 955	2 43 15 222
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	635 69 81 363	501 38 26 220
Dividend Receivable	37 39 536	74 31 042
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	667 86 68 854	504 55 72 484



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, 2018

A. Background

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



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

B. Scheme particulars

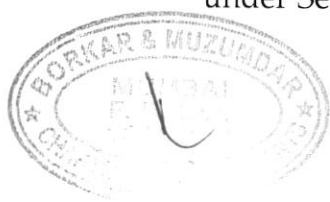
1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 1st April, 2008.
3. **Investment pattern to be followed as per PFRDA Regulations:**

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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of



the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. **Investments:**

- a. Investments are accounted on trade date.
- b. Cost is determined on the basis of weighted average cost.
- c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.

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

a. **Equity:**

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

iii. **Right entitlement:**

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



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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. 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.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

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

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

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



5. **Income Recognition:**

- Dividend income is accrued on the "ex-dividend" date.
- Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- Other income of miscellaneous nature is accounted for when there is certainty of collection.
- Interest on Fixed 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 31-03-18
1. Securities traded at a stock exchange: When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.
2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 44.53 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 11196170079.2776 and the balance 6236.1061 have been identified as residual units with CRA

Total 5585355.9614 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 44514.5063 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%	₹ 3,06,78,755	₹ 2,26,57,573

* excluding service tax / GST

** including service tax / GST

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



NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 2,56,36,178	₹ 1,93,15,921

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	%
39,155.95	152.66	32,710.22	127.53	33,197.06	171.76	27,932.72	144.53

I. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2018 is ₹ 4,641.05 Crores. (Previous Year ₹ 2,993.03 Crores)

J. **Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 25.3233	₹ 23.8338

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	%
2,302.38	8.98	824.70	3.22	2,442.10	12.64	87.61	0.45

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	₹ 32,075.73	₹ 147.38	₹ 27,448.55	₹ 145.37

N. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is given in Annexure A.

O. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure B.

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

For M/s Borkar & Muzumdar

Chartered Accountants

Firm Registration No.:101569W

Devang Vaghani

Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat

Chief Executive Officer
& Whole Time Director

Date : 25/04/2018

Place : Mumbai

Leo Puri

Chairman & Director

For and on behalf of NPS Trust

Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai

Munish Malik

(Chief Executive Officer, NPS Trust)

ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is $\geq 5\%$

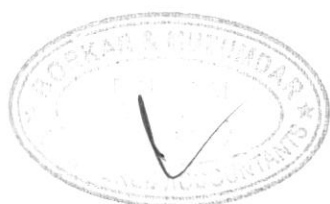
Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
HDFC BANK LTD.	1,061,898	2,002,845,818	0.71	5.21
ICICI BANK LTD.	7,102,982	1,977,115,040	0.70	5.14
AXIS BANK LTD.	2,018,745	1,030,569,323	0.36	2.68
STATE BANK OF INDIA	3,967,413	991,456,509	0.35	2.58
INDUSIND BANK LTD.	459,005	824,717,234	0.29	2.14
KOTAK MAHINDRA BANK LTD.	770,906	807,755,307	0.28	2.10
BANK OF BARODA	2,893,135	411,693,111	0.15	1.07
YES BANK	1,160,225	353,694,591	0.12	0.92
FEDERAL BANK LTD.	2,608,050	232,638,060	0.08	0.60
IDFC BANK LIMITED	2,386,722	113,011,287	0.04	0.29
PUNJAB NATIONAL BANK	749,890	71,464,517	0.03	0.19
		8,816,960,797	3.11	22.92
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	1,379,078	1,560,840,480	0.55	4.06
TATA CONSULTANCY SERVICES LTD.	442,017	1,259,372,736	0.44	3.27
HCL TECHNOLOGIES LIMITED	286,741	277,737,333	0.10	0.72
TECH MAHINDRA LTD.	165,800	105,896,460	0.04	0.28
WIPRO LTD.	323,611	90,983,233	0.03	0.24
		3,294,830,242	1.16	8.57
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	2,306,739	2,036,158,515	0.72	5.29
INDIAN OIL CORPORATION LTD.	1,882,968	332,532,149	0.12	0.86
CASTROL INDIA LTD.	1,356,000	277,844,400	0.10	0.72
BHARAT PETROLEUM CORPORATION LTD.	381,327	162,998,226	0.06	0.42
HINDUSTAN PETROLEUM CORPORATION LTD.	192,480	66,376,728	0.02	0.17
		2,875,910,018	1.02	7.46
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	931,217	1,700,029,755	0.60	4.42
LIC HOUSING FINANCE LTD.	1,000,787	534,820,573	0.19	1.39
		2,234,850,328	0.79	5.81



Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	74,950,000	7,472,283,748	2.64	7.60
AXIS BANK LTD.	64,450,000	6,499,633,254	2.29	6.61
HDFC BANK LTD.	29,410,000	2,934,314,732	1.03	2.98
IDFC BANK LIMITED	13,770,000	1,419,068,397	0.50	1.44
IDBI BANK LTD.	6,500,000	660,747,750	0.23	0.67
YES BANK	6,500,000	658,273,250	0.23	0.67
KOTAK MAHINDRA BANK LTD.	4,490,000	462,171,415	0.16	0.47
INDIAN OVERSEAS BANK	1,000,000	101,027,200	0.04	0.10
PUNJAB NATIONAL BANK	1,000,000	99,328,000	0.04	0.10
ING VYSYA BANK LTD.	800,000	86,413,600	0.03	0.09
		20,393,261,346	7.19	20.73
OTHER CREDIT GRANTING				
POWER FINANCE CORPORATION LTD.	93,580,000	9,399,409,666	3.32	9.55
RURAL ELECTRIFICATION CORPORATION LIMITED	83,070,000	8,408,351,628	2.97	8.55
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	1,500,000	144,099,600	0.05	0.15
CAN FIN HOMES LTD.	400,000	40,594,080	0.01	0.04
		17,992,454,974	6.35	18.29
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	64,900,000	6,568,349,435	2.32	6.68
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	30,840,000	3,121,459,376	1.10	3.17
PNB HOUSING FINANCE LIMITED	10,220,000	1,025,946,860	0.36	1.04
HOUSING AND URBAN DEVELOPMENT CORPORATION	1,000,000	98,939,000	0.03	0.10
		10,814,694,671.00	3.81	10.99
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	75,430,000	7,577,651,078	2.67	7.70
		7,577,651,078	2.67	7.70
OTHER FINANCIAL SERVICE ACTIVITIES, EXCEPT INSURANCE AND PENSION FUNDING ACTIVITIES, N.E.C.				
HDB FINANCIAL SERVICES LTD.	24,190,000	2,455,128,728	0.87	2.50
SHRIRAM TRANSPORT FINANCE CO. LTD.	11,180,000	1,181,747,921	0.42	1.20
INFRASTRUCTURE LEASING AND FINANCIAL SERVICES LTD.	10,000,000	1,030,484,700	0.36	1.05
MAHINDRA AND MAHINDRA FINANCIAL SERVICES LIMITED	1,500,000	159,418,200	0.06	0.16
INDIA INFRASTRUCTURE FINANCE CO. LTD.	1,000,000	108,259,200	0.04	0.11
		4,935,038,749	1.75	5.02



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - Central Govt.			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	23.8382	20.9758
	High	25.4608	23.9509
	Low	23.7043	20.9758
	End	25.3233	23.8338
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	2,835,247.01	2,229,115.05
	Average (AAUM)	2,564,880.57	1,932,703.52
3	Gross income as % of AAUM	8.98%	12.64%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0260%	0.0261%
b	Management Fee as % of AAUM	0.0119%	0.0117%
5	Net Income as a percentage of AAUM	5.76%	12.18%
6	Portfolio turnover ratio	2.42%	2.58%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	6.25%	13.64%
	Last 3 Years	8.64%	12.67%
	Last 5 Years	9.80%	11.03%
	Since Launch of the scheme (1st April, 2008)	9.73%	10.13%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

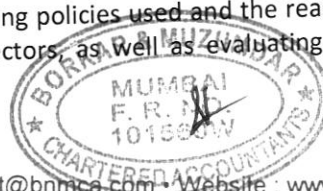
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme – State Government (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM' or the 'Company')** which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion


- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:
- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 9 We further certify that
- a) Except as given in note no.7D, Investments have been valued in accordance with the guidelines issued by the PFRDA.
b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

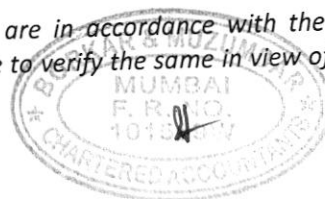

Devang Vaghani
Partner

M No.: 109386

Place: Mumbai

Date:

17 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	17032 50 05 215	13178 08 63 394
Reserves and Surplus	2	21378 87 12 327	14846 17 16 400
Current Liabilities and Provisions	3	5 48 13 920	5 15 06 274
Total		38416 85 31 462	28029 40 86 068
Assets			
Investments	4	37564 92 95 599	27386 31 80 374
Deposits	5	-	40 00 00 000
Other Current Assets	6	851 92 35 863	603 09 05 694
Total		38416 85 31 462	28029 40 86 068
(a) Net assets as per Balance Sheets		38411 37 17 542	28024 25 79 794
(b) Number of units outstanding		1703 25 00 521	1317 80 86 340
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai



For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai



Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai



Munish Malik

(Chief Executive Officer, NPS Trust)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		55 37 86 646	33 00 60 636
Interest		2169 36 56 833	1598 36 36 049
Profit on sale/redemption of investments		114 22 29 314	47 38 38 644
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		580 34 75 339	1288 47 34 457
Other income			
- Miscellaneous Income		548	468
Total Income (A)		2919 31 48 680	2967 22 70 254
Expenses and Losses			
Unrealized losses in value of investments		1057 51 18 985	96 70 90 950
Loss on sale/redemption of investments		9 28 48 224	9 45 040
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		3 99 68 155	2 78 30 497
NPS Trust fees		3 33 94 375	2 37 25 915
Custodian fees (including service Tax / GST)		1 11 93 647	89 26 159
Depository and settlement charges (including service Tax / GST)		24 95 363	14 46 959
CRA Fees		2 16 783	51 043
Less: Amount recoverable on sale of units on account of CRA Charges		(2 16 783)	(51 043)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		1075 50 18 749	102 99 65 520
Surplus/(Deficit) for the year (A-B)		1843 81 29 931	2864 23 04 734
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		477 16 43 646	(1191 76 43 507)
Less: Amount transferred (to) / from General Reserve		(2320 97 73 577)	(1672 46 61 227)
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

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

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik

(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	13178 08 63 394	10148 93 77 073
Add :Units issued during the year	3944 05 01 025	3084 00 63 787
Less: Units redeemed during the year	(89 63 59 204)	(54 85 77 466)
Outstanding at the end of the year	17032 50 05 215	13178 08 63 394
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	1317 80 86 340	1014 89 37 708
Add :Units issued during the year	394 40 50 102	308 40 06 379
Less: Units redeemed during the year	(8 96 35 921)	(5 48 57 747)
Outstanding units at the end of the year	1703 25 00 521	1317 80 86 340
Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	8822 02 38 037	5697 44 57 948
Add: Premium on Units issued	4798 19 32 141	3181 66 99 247
Less: Premium on Units redeemed	(109 30 66 145)	(57 09 19 158)
Add: Transfer from General Reserve	-	-
Closing Balance	13510 91 04 033	8822 02 38 037
General Reserve		
Opening Balance	4268 66 79 053	2596 20 17 826
Add: Transfer from Revenue Account	2320 97 73 577	1672 46 61 227
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	6589 64 52 630	4268 66 79 053
Unrealised Appreciation Account		
Opening Balance	1755 47 99 310	563 71 55 803
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(477 16 43 646)	1191 76 43 507
Closing Balance	1278 31 55 664	1755 47 99 310
Total	21378 87 12 327	14846 17 16 400

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	2 38 42 216	2 41 31 135
Book Overdraft	-	-
Redemption Payable	3 05 30 104	2 71 28 211
TDS Payable	4 41 600	2 46 928
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	5 48 13 920	5 15 06 274



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, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	5149 52 62 721	3675 96 94 257
Preference Shares	1 15 61 183	-
Debentures and Bonds Listed/Awaiting Listing	13283 86 88 273	10024 36 81 114
Central and State Government Securities (including treasury bills)	18691 93 24 423	13402 30 25 731
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/	-	-
Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	438 44 58 999	283 67 79 272
Total	37564 92 95 599	27386 31 80 374

Schedule 5	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Deposits		
Deposits with Scheduled Banks	-	40 00 00 000
Total	-	40 00 00 000

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	39 03 22 046	44 97 966
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	812 38 81 675	601 70 03 413
Dividend Receivable	50 32 142	94 04 315
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	851 92 35 863	603 09 05 694



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, 2018

A. Background

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



3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation 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.

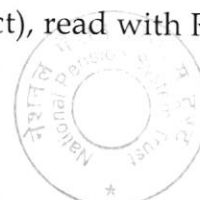
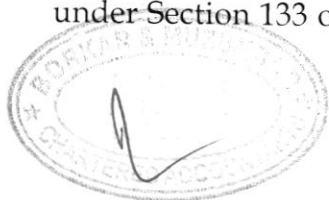
3. Investment pattern to be followed as per the PFRDA Regulation:

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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of



the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.

2. Investments:

- a. Investments are accounted on trade date.
- b. Cost is determined on the basis of weighted average cost.
- c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.

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

a. Equity:

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

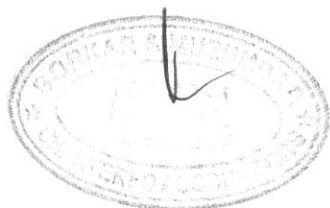


b. Debentures, corporate bonds, commercial papers and certificate of deposits:

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. 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.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. 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.

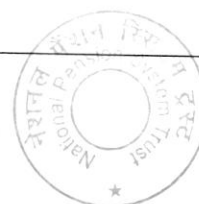
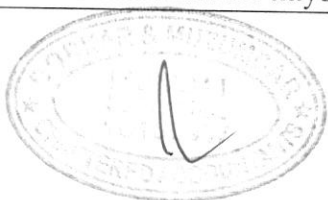
d. Mutual fund units: Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.



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 31-03-18
1. Securities traded at a stock exchange: When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.



2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 67.39 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 17032490192.0950 and the balance 10329.3940 have been identified as residual units with CRA

Total 1039241.4148 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%	₹ 3,99,68,155	₹ 2,78,30,497

* excluding service tax / GST

** including service tax / GST

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



NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 3,33,94,375	₹ 2,37,25,915

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	%
45,730.44	136.84	34,804.97	104.15	37,527.98	158.06	29,839.32	125.68

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, 2018 is ₹ 5,943.60 Crores. (Previous Year ₹ 3,667.15 Crores)

J. Net Asset Value:

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 22.5518	₹ 21.2658

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	%
2,919.31	8.74	1,075.50	3.22	2,967.23	12.50	103.00	0.43

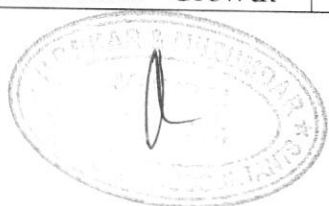
L. Other disclosures:

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	₹ 34,335.14	₹ 438.45	₹ 29,412.80	₹ 283.68



- N. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is given in Annexure A.
- O. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure B.
- P. The Previous Year figures are regrouped/ reclassified, wherever necessary.

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

Devang Vaghani
Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat

Chief Executive Officer
& Whole Time Director

Date : 25/04/2018

Place : Mumbai

Leo Puri

Chairman & Director

For and on behalf of NPS Trust

Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai

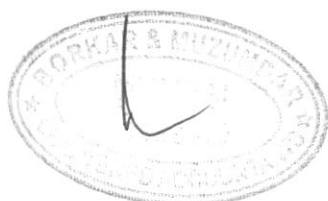
Munish Malik

(Chief Executive Officer, NPS Trust)

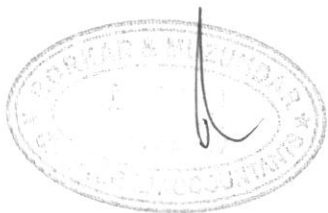
ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is $\geq 5\%$

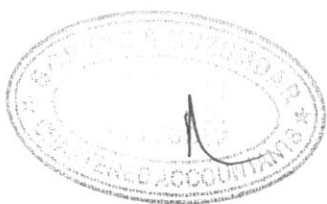
Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	9,485,816	2,640,376,884	0.69	5.13
HDFC BANK LTD.	1,364,239	2,573,091,178	0.67	5.00
AXIS BANK LTD.	2,960,907	1,511,543,024	0.39	2.94
STATE BANK OF INDIA	5,390,564	1,347,101,944	0.35	2.62
KOTAK MAHINDRA BANK LTD.	1,114,612	1,167,890,454	0.30	2.27
INDUSIND BANK LTD.	645,633	1,160,041,093	0.30	2.25
YES BANK	2,007,725	612,054,966	0.16	1.19
BANK OF BARODA	4,241,911	603,623,935	0.16	1.17
FEDERAL BANK LTD.	2,766,800	246,798,560	0.06	0.48
IDFC BANK LIMITED	3,102,982	146,926,198	0.04	0.29
PUNJAB NATIONAL BANK	648,806	61,831,212	0.02	0.12
		12,071,279,448	3.14	23.46
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	1,797,601	2,034,524,812	0.53	3.95
TATA CONSULTANCY SERVICES LTD.	543,499	1,548,510,176	0.40	3.01
TECH MAHINDRA LTD.	489,612	312,715,184	0.08	0.61
HCL TECHNOLOGIES LIMITED	275,823	267,162,158	0.07	0.52
WIPRO LTD.	359,169	100,980,364	0.03	0.20
		4,263,892,694	1.11	8.29
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	2,666,749	2,353,939,342	0.61	4.57
INDIAN OIL CORPORATION LTD.	2,369,200	418,400,720	0.11	0.81
CASTROL INDIA LTD.	1,696,574	347,628,013	0.09	0.68
BHARAT PETROLEUM CORPORATION LTD.	240,819	102,938,082	0.03	0.20
		3,222,906,157	0.84	6.26
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	1,251,604	2,284,928,262	0.59	4.44
LIC HOUSING FINANCE LTD.	1,386,592	740,994,765	0.19	1.44
		3,025,923,027	0.78	5.88



Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	104,640,000	10,478,941,751	2.73	7.89
AXIS BANK LTD.	86,180,000	8,670,269,826	2.26	6.53
HDFC BANK LTD.	31,350,000	3,127,122,020	0.81	2.35
IDFC BANK LIMITED	19,960,000	2,056,272,559	0.54	1.55
KOTAK MAHINDRA BANK LTD.	9,410,000	966,834,235	0.25	0.73
YES BANK	7,700,000	769,072,720	0.20	0.58
PUNJAB NATIONAL BANK	900,000	89,395,200	0.02	0.07
ING VYSYA BANK LTD.	700,000	75,611,900	0.02	0.06
		26,233,520,211	6.83	19.76
OTHER CREDIT GRANTING				
POWER FINANCE CORPORATION LTD.	124,370,000	12,463,501,317	3.24	9.38
RURAL ELECTRIFICATION CORPORATION LIMITED	101,710,000	10,293,835,845	2.68	7.75
CAN FIN HOMES LTD.	1,500,000	152,227,800	0.04	0.11
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	950,000	91,263,080	0.02	0.07
		23,000,828,042	5.98	17.31
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	101,970,000	10,337,805,612	2.69	7.78
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	47,480,000	4,827,392,082	1.26	3.63
PNB HOUSING FINANCE LIMITED	11,220,000	1,123,681,964	0.29	0.85
HOUSING AND URBAN DEVELOPMENT CORPORATION	1,500,000	148,408,500	0.04	0.11
		16,437,288,158	4.28	12.37
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	95,420,000	9,583,925,204	2.50	7.21
		9,583,925,204	2.50	7.21
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
EXPORT IMPORT BANK OF INDIA	47,510,000	4,816,168,997	1.25	3.63
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	34,310,000	3,394,616,849	0.88	2.56
		8,210,785,846	2.13	6.19
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	73,270,000	7,438,840,444	1.94	5.60
		7,438,840,444	1.94	5.60



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - State Govt.			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	21.2697	18.7300
	High	22.6757	21.4186
	Low	21.1431	18.7300
	End	22.5518	21.2658
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	3,841,137.18	2,802,425.80
	Average (AAUM)	3,341,789.30	2,374,308.06
3	Gross income as % of AAUM	8.74%	12.50%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0260%	0.0261%
b	Management Fee as % of AAUM	0.0119%	0.0117%
5	Net Income as a percentage of AAUM	5.52%	12.06%
6	Portfolio turnover ratio	1.81%	1.44%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	6.05%	13.56%
	Last 3 Years	8.57%	12.75%
	Last 5 Years	9.73%	11.18%
	Since Launch of the scheme (June 25, 2009)	9.72%	10.20%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

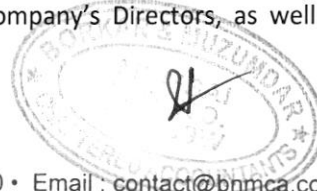
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Limited – NPS LITE Scheme – Government Pattern (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM' or the 'Company')** which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements

- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:

- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- 9 We further certify that:

- a) *Except as given in note no.7D, Investments have been valued in accordance with the guidelines issued by the PFRDA.*
b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.*

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani
Partner
M No.: 109386
Place: Mumbai
Date: 18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	403 58 17 866	377 48 59 300
Reserves and Surplus	2	444 26 98 954	368 63 74 941
Current Liabilities and Provisions	3	23 64 386	10 05 98 959
Total		848 08 81 206	756 18 33 200
Assets			
Investments	4	830 29 20 698	741 21 33 105
Deposits	5	-	-
Other Current Assets	6	17 79 60 508	14 97 00 095
Total		848 08 81 206	756 18 33 200
(a) Net assets as per Balance Sheets		847 85 16 820	746 12 34 241
(b) Number of units outstanding		40 35 81 787	37 74 85 930
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 11 8 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		1 57 06 124	1 25 24 657
Interest		52 69 23 519	46 20 38 705
Profit on sale/redemption of investments		6 29 71 509	1 44 39 315
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		15 33 80 081	40 39 37 579
Other income			
- Miscellaneous Income		940	112
Total Income (A)		75 89 82 173	89 29 40 368
Expenses and Losses			
Unrealized losses in value of investments		27 09 76 475	3 10 61 205
Loss on sale/redemption of investments		39 63 700	1 98 020
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		9 66 714	8 16 207
NPS Trust fees		8 08 061	6 95 828
Custodian fees (including service Tax / GST)		2 61 160	2 59 638
Depository and settlement charges (including service Tax / GST)		55 149	38 585
CRA Fees		2 90 20 511	4 18 33 579
Less: Amount recoverable on sale of units on account of CRA Charges		(2 90 20 511)	(4 18 33 579)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		27 70 31 259	3 30 69 483
Surplus/(Deficit) for the year (A-B)		48 19 50 914	85 98 70 885
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		11 75 96 394	(37 28 76 374)
Less: Amount transferred (to) / from General Reserve		(59 95 47 308)	(48 69 94 511)
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

Devang Vaghani
Partner

Membership No.: 109386

Date:

Place: Mumbai

17 8 JUL 2018

For UTI Retirement Solutions Ltd.

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

Date: 25/04/2018

Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date:

Place: Mumbai

28 JUN 2018

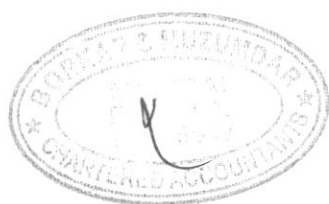
Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	377 48 59 300	342 08 48 556
Add :Units issued during the year	35 19 02 929	51 05 84 383
Less: Units redeemed during the year	(9 09 44 363)	(15 65 73 639)
Outstanding at the end of the year	403 58 17 866	377 48 59 300
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	37 74 85 930	34 20 84 856
Add :Units issued during the year	3 51 90 293	5 10 58 438
Less: Units redeemed during the year	(90 94 436)	(1 56 57 364)
Outstanding units at the end of the year	40 35 81 787	37 74 85 930

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	167 52 20 255	137 97 67 233
Add: Premium on Units issued	37 05 44 516	43 76 93 362
Less: Premium on Units redeemed	(9 61 71 417)	(14 22 40 340)
Add: Transfer from General Reserve	-	-
Closing Balance	194 95 93 354	167 52 20 255
General Reserve		
Opening Balance	140 38 66 346	91 68 71 835
Add: Transfer from Revenue Account	59 95 47 308	48 69 94 511
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	200 34 13 654	140 38 66 346
Unrealised Appreciation Account		
Opening Balance	60 72 88 340	23 44 11 966
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(11 75 96 394)	37 28 76 374
Closing Balance	48 96 91 946	60 72 88 340
Total	444 26 98 954	368 63 74 941

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	5 41 494	6 88 668
Book Overdraft	-	-
Redemption Payable	18 13 254	9 99 03 584
TDS Payable	9 638	6 707
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	23 64 386	10 05 98 959



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, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	114 51 56 955	109 04 33 760
Preference Shares	7 20 300	-
Debentures and Bonds Listed/Awaiting Listing	288 50 67 607	258 42 04 835
Central and State Government Securities (including treasury bills)	409 59 55 328	363 88 46 466
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	17 60 20 508	9 86 48 044
Total	830 29 20 698	741 21 33 105

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	1 04 39 177	3 23 319
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	16 72 96 918	14 91 08 005
Dividend Receivable	2 24 413	2 68 771
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	17 79 60 508	14 97 00 095



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, 2018

A. Background

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



3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which is used by PFM for valuation of investments. SHCIL also updates the ratings of Bonds and G - Sec as well as Corporate Action.
4. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records 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 specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
 - a. Investments are accounted on trade date.
 - b. Cost is determined on the basis of weighted average cost.
 - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
 - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
 - a. **Equity:**
 - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE .
 - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.



iii. **Right entitlement:**

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

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. 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.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. Perpetual bond with single/multiple call options are valued at lowest price on each option date.

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



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

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

5. Income Recognition:

- Dividend income is accrued on the "ex-dividend" date.
- Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- Other income of miscellaneous nature is accounted for when there is certainty of collection.
- Interest on Fixed 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 31-03-18
1. Securities traded at a stock exchange: When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day,	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	Impact was not ascertainable.

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.	difference between the redemption value and last valuation price, spread uniformly over the remaining maturity 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 lower by ₹ 1.54 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 403580181.0765 and the balance 1605.5384 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%	₹ 9,66,714	₹ 8,16,207

* excluding service tax / GST

** including service tax / GST

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

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 8,08,061	₹ 6,95,828

- 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	%
1815.91	224.68	1710.82	211.68	986.94	141.78	866.54	124.49

- I.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2018 is ₹ 132.77 Crores. (Previous Year ₹ 102.82 Crores)

- J. Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 21.0081	₹ 19.7655

- 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	%
75.90	9.39	27.70	3.43	89.29	12.83	3.31	0.48

- 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	₹ 1,669.75	₹ 17.60	₹ 856.91	₹ 9.86



- N. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is given in Annexure A.
- O. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure B.
- P. The Previous Year figures are regrouped/ reclassified, wherever necessary.

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

Devang Vaghani
Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai



For UTI Retirement Solutions Ltd.

Balram P Bhagat

Chief Executive Officer
& Whole Time Director

Date : 25/04/2018

Place : Mumbai

Leo Puri

Chairman & Director



For and on behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai



Munish Malik
(Chief Executive Officer, NPS Trust)

ANNEXURE A

Industry wise classification where industry exposure % to total exposure in investment category is $\geq 5\%$

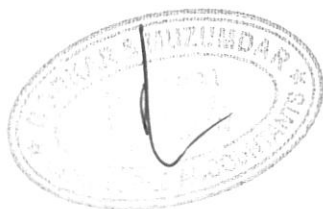
Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
HDFC BANK LTD.	37,154	70,076,159	0.83	6.12
ICICI BANK LTD.	231,452	64,424,664	0.76	5.63
STATE BANK OF INDIA	143,180	35,780,682	0.42	3.12
AXIS BANK LTD.	60,005	30,632,553	0.36	2.67
INDUSIND BANK LTD.	15,070	27,077,023	0.32	2.36
KOTAK MAHINDRA BANK LTD.	24,528	25,700,438	0.30	2.24
BANK OF BARODA	78,155	11,121,457	0.13	0.97
FEDERAL BANK LTD.	91,000	8,117,200	0.10	0.71
IDFC BANK LIMITED	81,204	3,845,009	0.05	0.34
YES BANK	11,750	3,581,988	0.04	0.31
PUNJAB NATIONAL BANK	20,125	1,917,913	0.02	0.17
		282,275,086	3.33	24.64
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	49,291	55,787,554	0.66	4.87
TATA CONSULTANCY SERVICES LTD.	15,087	42,985,126	0.51	3.75
TECH MAHINDRA LTD.	14,640	9,350,568	0.11	0.82
		108,123,248	1.28	9.44
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	77,042	68,004,973	0.80	5.94
INDIAN OIL CORPORATION LTD.	44,000	7,770,400	0.09	0.68
		75,775,373	0.89	6.62
MANUFACTURE OF CIGARETTES, CIGARETTE TOBACCO				
ITC LIMITED	265,309	67,786,450	0.80	5.92
		67,786,450	0.80	5.92
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	29,586	54,012,202	0.64	4.72
LIC HOUSING FINANCE LTD.	23,800	12,718,720	0.15	1.11
		66,730,922	0.79	5.83
CONSTRUCTION OF UTILITY PROJECTS N.E.C.				
LARSEN & TOUBRO LTD.	44,301	58,074,181	0.68	5.07
		58,074,181	0.68	5.07



Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
OTHER CREDIT GRANTING				
RURAL ELECTRIFICATION CORPORATION LIMITED	2,810,000	285,224,148	3.36	9.89
POWER FINANCE CORPORATION LTD.	2,450,000	247,878,081	2.92	8.59
		533,102,229	6.28	18.48
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS, POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
ICICI BANK LTD.	1,320,000	135,290,717	1.60	4.69
IDFC BANK LIMITED	760,000	78,184,558	0.92	2.71
AXIS BANK LTD.	480,000	49,012,297	0.58	1.70
HDFC BANK LTD.	330,000	32,797,116	0.39	1.14
PUNJAB NATIONAL BANK	80,000	7,946,240	0.09	0.28
		303,230,928	3.58	10.52
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	1,680,000	170,707,151	2.01	5.92
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	960,000	98,874,710	1.17	3.43
PNB HOUSING FINANCE LIMITED	320,000	32,017,029	0.38	1.11
		301,598,890	3.56	10.46
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
EXPORT IMPORT BANK OF INDIA	1,970,000	203,041,557	2.39	7.04
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	480,000	48,085,940	0.57	1.67
		251,127,497	2.96	8.71
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	2,480,000	250,665,842	2.96	8.69
		250,665,842	2.96	8.69
ELECTRIC POWER GENERATION AND TRANSMISSION BY NUCLEAR POWER PLANTS				
NUCLEAR POWER CORPORATION OF INDIA LIMITED	1,670,000	173,736,562	2.05	6.02
		173,736,562	2.05	6.02



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions NPS Lite Scheme - Govt. Pattern			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	19.7692	17.3997
	High	21.1323	19.8860
	Low	19.6537	17.3997
	End	21.0081	19.7655
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	84,785.17	74,612.34
	Average (AAUM)	80,822.38	69,608.81
3	Gross income as % of AAUM	9.39%	12.83%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0259%	0.0260%
b	Management Fee as % of AAUM	0.0119%	0.0117%
5	Net Income as a percentage of AAUM	5.96%	12.35%
6	Portfolio turnover ratio	5.95%	1.66%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	6.29%	13.60%
	Last 3 Years	8.51%	12.71%
	Last 5 Years	9.80%	11.20%
	Since Launch of the scheme (October 04, 2010)	10.41%	11.06%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





Retirement Solutions

UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

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

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Limited Scheme – Atal Pension Yojana (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM' or the 'Company')** which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements


- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:

- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- 9 We further certify that

- a) *Except as given in note no.7D, Investments have been valued in accordance with the guidelines issued by the PFRDA.*
b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.*

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani
Partner
M No.: 109386



Place: Mumbai

Date: 18 JUL 2018

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	975 70 46 517	509 41 37 011
Reserves and Surplus	2	284 22 68 397	112 93 39 421
Current Liabilities and Provisions	3	63 76 423	11 48 708
Total		1260 56 91 337	622 46 25 140
Assets			
Investments	4	1236 19 62 723	609 61 74 303
Deposits	5	-	-
Other Current Assets	6	24 37 28 614	12 84 50 837
Total		1260 56 91 337	622 46 25 140
(a) Net assets as per Balance Sheets		1259 93 14 914	622 34 76 432
(b) Number of units outstanding		97 57 04 652	50 94 13 701
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Bhram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik

(Chief Executive Officer, NPS Trust)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Income			
Dividend		1 33 30 718	54 58 139
Interest		58 79 29 518	24 75 45 852
Profit on sale/redemption of investments		2 73 30 601	44 46 173
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		16 78 68 075	19 34 49 800
Other income			
- Miscellaneous Income		223	208
Total Income (A)		79 64 59 135	45 09 00 172
Expenses and Losses			
Unrealized losses in value of investments		34 71 77 816	3 05 09 620
Loss on sale/redemption of investments		16 39 350	-
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax / GST)		11 16 234	4 51 092
NPS Trust fees		9 31 829	3 84 562
Custodian fees (including service Tax / GST)		3 24 001	1 42 058
Depository and settlement charges (including service Tax / GST)		98 450	44 553
CRA Fees		7 96 72 235	6 28 54 801
Less: Amount recoverable on sale of units on account of CRA Charges		(7 96 72 235)	(6 28 54 801)
Provision for Non-Performing Assets		-	-
Other Expenses		-	-
Total Expenditure (B)		35 12 87 680	3 15 31 885
Surplus/(Deficit) for the year (A-B)		44 51 71 455	41 93 68 287
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		17 25 28 176	(16 29 40 180)
Less: Amount transferred (to) / from General Reserve		(61 76 99 631)	(25 64 28 107)
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 11 8 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

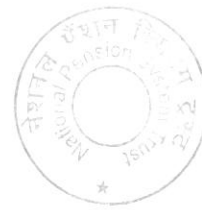
Munish Malik
(Chief Executive Officer, NPS Trust)

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, 2018

Schedule 1	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Unit Capital		
Outstanding at the beginning of the year	509 41 37 011	155 99 85 874
Add :Units issued during the year	482 73 83 156	360 05 11 717
Less: Units redeemed during the year	(16 44 73 650)	(6 63 60 580)
Outstanding at the end of the year	975 70 46 517	509 41 37 011
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	50 94 13 701	15 59 98 587
Add :Units issued during the year	48 27 38 316	36 00 51 172
Less: Units redeemed during the year	(1 64 47 365)	(6 63 60 580)
Outstanding units at the end of the year	97 57 04 652	50 94 13 701

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Reserves and Surplus		
Unit Premium Reserve		
Opening Balance	66 30 00 562	6 12 37 757
Add: Premium on Units issued	131 25 13 945	61 28 66 718
Less: Premium on Units redeemed	(4 47 56 424)	(1 11 03 913)
Add: Transfer from General Reserve	-	-
Closing Balance	193 07 58 083	66 30 00 562
General Reserve		
Opening Balance	29 38 10 683	3 73 82 576
Add: Transfer from Revenue Account	61 76 99 631	25 64 28 107
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	91 15 10 314	29 38 10 683
Unrealised Appreciation Account		
Opening Balance	17 25 28 176	95 87 996
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(17 25 28 176)	16 29 40 180
Closing Balance	-	17 25 28 176
Total	284 22 68 397	112 93 39 421

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors for expenses	7 61 538	4 59 738
Book Overdraft	-	-
Redemption Payable	56 00 402	6 83 589
TDS Payable	14 483	5 381
Contracts for purchase of investments	-	-
Amount Payable to Other Schemes	-	-
Provision for Interest overdue	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-
Total	63 76 423	11 48 708

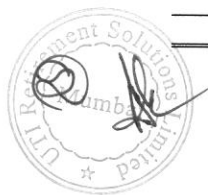


NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	172 26 08 017	84 14 68 081
Preference Shares	4 378	-
Debentures and Bonds Listed/Awaiting Listing	421 65 24 143	219 28 23 157
Central and State Government Securities (including treasury bills)	613 07 94 960	300 80 84 133
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/	-	-
Commercial mortgage based Securities or Residential mortgage based securities	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	29 20 31 225	5 37 98 932
Total	1236 19 62 723	609 61 74 303

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

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	32 21 459	15 88 579
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	24 04 36 501	12 66 87 359
Dividend Receivable	70 654	1 74 899
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	24 37 28 614	12 84 50 837



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 YEAR ENDED MARCH 31, 2018

A. Background

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



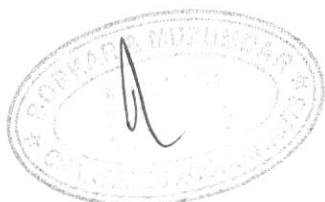
3. NPS Trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, which is responsible for safe custody of securities and settlement of trades. Further, SHCIL has also been designated as valuation service provider, which is responsible for providing rates for valuation, which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

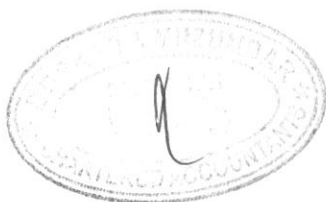
1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
 - a. Investments are accounted on trade date.
 - b. Cost is determined on the basis of weighted average cost.
 - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
 - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
 - a. **Equity:**
 - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.



- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
 - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
 - b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.
- b. **Debentures, corporate bonds, commercial papers and certificate of deposits:**
 - i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
 - ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
 - iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
 - iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
 - v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
 - vi. 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.
 - vii. Partly paid bonds are valued at cost till it is fully paid.
 - viii. 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 31-03-18
1. Securities traded at a stock exchange: When a debt security (other than government security) is not traded on any stock exchange on a particular valuation day, the value at which it was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than fifteen days.	When such securities are not traded on a valuation day, they are valued on a yield to maturity basis if residual maturity exceeds 60 days otherwise at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.	Impact was not ascertainable.
2. Valuation of G- sec at YTM based on prevailing market prices (FIMMDA).	They are being valued at average of price given by CRISIL and ICRA	The Market Value derived as per valuation policy is lower by ₹ 2.76 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 975699521.6122 and the balance 5130.0446 have been identified as residual units with CRA.



Total 952.5797 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 Period	Previous Year	Current Year	Previous Year
0.0102%	0.0102%	₹ 11,16,234	₹ 4,51,092

* excluding service tax / GST

** including service tax / GST

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

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Year	Current Year	Previous Year
0.01%	0.01%	₹ 9,31,829	₹ 3,84,562

- 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	%
4,070.89	436.11	3,420.54	366.44	1,755.80	455.20	1,320.5	342.35

- 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, 2018 is ₹ 156.82 Crores. (Previous Year ₹ 59.93 Crores)

- J. Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 12.9130	₹ 12.2169



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	%
79.65	8.53	35.13	3.76	45.09	11.69	3.15	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	₹ 3,407.82	₹ 29.20	₹ 1,321.41	₹ 5.38

N. Details of Net Unrealized Gains / (Losses) for the period are given below:

₹ in Crores

Particular	Current Year	Previous Year
Net Unrealized Gains/(Losses)	₹ (17.93)	₹ 16.29


O. Portfolio: Industry wise classification where industry exposure % to total exposure in investment category $\geq 5\%$ as on 31st March, 2018 is given in Annexure A.

P. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure B.



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

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


Devang Vaghani
Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai



For UTI Retirement Solutions Ltd.


Balram P Bhagat

Chief Executive Officer
& Whole Time Director

Date : 25/04/2018


Place : Mumbai


Leo Puri

Chairman & Director

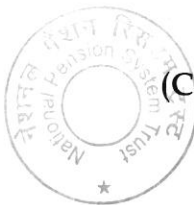


For and on behalf of NPS Trust


Ashvin Parekh
(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai



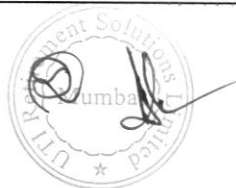

Munish Malik

(Chief Executive Officer, NPS Trust)

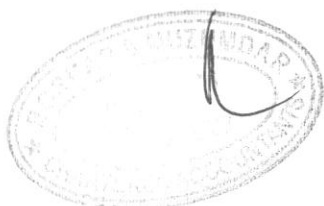
ANNEXURE A

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

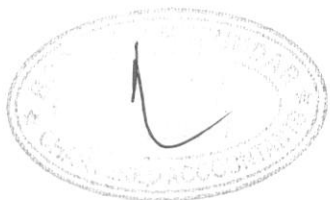
Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
EQUITY SHARES				
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
HDFC BANK LTD.	52,949	99,867,109	0.79	5.80
ICICI BANK LTD.	266,498	74,179,718	0.59	4.31
KOTAK MAHINDRA BANK LTD.	49,838	52,220,256	0.41	3.03
STATE BANK OF INDIA	184,323	46,062,318	0.37	2.67
INDUSIND BANK LTD.	21,611	38,829,564	0.31	2.25
AXIS BANK LTD.	67,950	34,688,475	0.28	2.01
YES BANK	107,570	32,792,715	0.26	1.90
BANK OF BARODA	150,182	21,370,899	0.17	1.24
IDFC BANK LIMITED	14,780	699,833	0.01	0.04
PUNJAB NATIONAL BANK	144	13,723	0.00	0.00
		400,724,610	3.19	23.25
WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING				
INFOSYS LTD.	65,880	74,562,984	0.59	4.33
TATA CONSULTANCY SERVICES LTD.	26,116	74,408,401	0.59	4.32
TECH MAHINDRA LTD.	13,527	8,639,695	0.07	0.50
HCL TECHNOLOGIES LIMITED	76	73,614	0.00	0.00
		157,684,694	1.25	9.15
PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS				
RELIANCE INDUSTRIES LTD.	98,102	86,594,635	0.69	5.03
INDIAN OIL CORPORATION LTD.	116,600	20,591,560	0.16	1.20
CASTROL INDIA LTD.	62,400	12,785,760	0.10	0.74
HINDUSTAN PETROLEUM CORPORATION LTD.	7,500	2,586,375	0.02	0.15
		122,558,330	0.97	7.12
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	52,819	96,426,366	0.77	5.60
LIC HOUSING FINANCE LTD.	39,700	21,215,680	0.17	1.23
		117,642,046	0.94	6.83
CONSTRUCTION OF UTILITY PROJECTS N.E.C.				
LARSEN & TOUBRO LTD.	74,069	97,097,052	0.77	5.64
		97,097,052	0.77	5.64



Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
DEBENTURES & BONDS				
OTHER CREDIT GRANTING				
RURAL ELECTRIFICATION CORPORATION LIMITED	4,210,000	419,455,113	3.33	9.95
POWER FINANCE CORPORATION LTD.	4,120,000	409,946,805	3.25	9.72
CAN FIN HOMES LTD.	70,000	7,103,964	0.06	0.17
		836,505,882	6.64	19.84
MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES				
AXIS BANK LTD.	3,190,000	319,793,822	2.54	7.58
ICICI BANK LTD.	2,720,000	269,454,377	2.14	6.39
HDFC BANK LTD.	880,000	87,458,976	0.69	2.07
IDFC BANK LIMITED	370,000	38,066,801	0.30	0.90
YES BANK	200,000	19,564,320	0.16	0.46
KOTAK MAHINDRA BANK LTD.	10,000	1,029,335	0.01	0.02
		735,367,631	5.84	17.42
ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS				
LIC HOUSING FINANCE LTD.	3,440,000	348,547,528	2.77	8.27
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	970,000	98,067,783	0.78	2.33
PNB HOUSING FINANCE LIMITED	630,000	63,382,926	0.50	1.50
		509,998,237	4.05	12.10
OTHER MONETARY INTERMEDIATION SERVICES N.E.C.				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	2,140,000	211,356,872	1.68	5.01
EXPORT IMPORT BANK OF INDIA	1,630,000	163,808,850	1.30	3.88
		375,165,722	2.98	8.89
TRANSMISSION OF ELECTRIC ENERGY				
POWER GRID CORPORATION OF INDIA LTD.	2,300,000	230,417,687	1.83	5.46
		230,417,687	1.83	5.46
CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	2,300,000	228,615,400	1.81	5.42
		228,615,400	1.81	5.42



Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Scheme - Atal Pension Yojana (APY)			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	12.2191	10.6971
	High	12.9775	12.3407
	Low	12.1376	10.6971
	End	12.9130	12.2169
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	125,993.15	62,234.76
	Average (AAUM)	93,346.40	38,571.67
3	Gross income as % of AAUM	8.53%	11.69%
4	Expense Ratio		
a	Total Expense as % of AAUM	0.0265%	0.0265%
b	Management Fee as % of AAUM	0.0119%	0.0117%
5	Net Income as a percentage of AAUM	4.77%	10.87%
6	Portfolio turnover ratio	3.77%	0.17%
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	5.70%	14.24%
	Last 3 Years	NA	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme (June 04, 2015)	9.47%	11.60%
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)			





Retirement Solutions

UTI Retirement Solutions Limited

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

Contents: -

- Auditors' Report
- Balance Sheet as at 31st March, 2018
- Revenue Accounts for the Financial Year ended 31st March, 2018
- Accounting Policies and Notes to Accounts

Registered Office:

UTI Towers 'Gn' – Block

Bandra – Kurla Complex

Bandra (East)

Mumbai – 400051

Phone: - 66786731 / 6449

INDEPENDENT AUDITORS' REPORT

To,
The Trustees,
National Pension System Trust

Report on Financial Statements

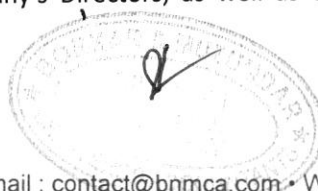
- 1 We have audited the accompanying financial statements of **NPS Trust - A/c UTI Retirement Solutions Pension Fund Scheme – Corporate CG (Scheme) under the National Pension System Trust (NPS Trust)** managed by **UTI Retirement Solutions Limited ('PFM' or the 'Company')** which comprise of the Balance Sheet as at March 31, 2018, and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2 Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 4 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 5 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



- 6 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2018; and
(b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

Report on Other Legal and Regulatory Requirements


- 8 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, and section 143(3) of the Act we report that:

- a) We have sought and obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
b) In our opinion proper books of account of the Scheme, as required by the PFRDA has been maintained by the PFM as far as appears from our examination of those books.
c) All transactions expenses in excess of the limits contractually agreed to / approved by the Authority are borne by the Pension Fund (if any) and are not charged to the NAV of the Scheme.
d) The Balance Sheet and Revenue account of the Scheme dealt with by this report are in agreement with the books of account of the Scheme.
e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the "PFRDA (Preparation of Financial Statements and Auditor's Report of Scheme under National Pension System) Guidelines-2012" and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- 9 We further certify that

- a) Investments have been valued in accordance with the guidelines issued by the Authority.
b) *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee except in the case of fees claimed by CRA. We are unable to verify the same in view of the unbundled architecture explained in the note no.7A.*

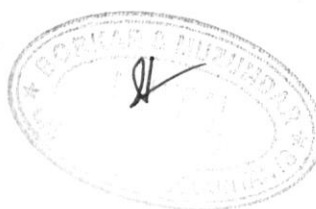
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W


Devang Vaghani
Partner

M No.: 109386

Place: Mumbai

Date: 18 JUL 2018



NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Schedules	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Liabilities			
Unit Capital	1	-	-
Reserves and Surplus	2	-	-
Current Liabilities and Provisions	3	-	-
Total		-	-
Assets			
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 18 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

For and on Behalf of NPS Trust

Ashvin Parekh
(Chairman, NPS Trust Board)

Date: 28 JUN 2018
Place: Mumbai

Munish Malik
(Chief Executive Officer, NPS Trust)

28 JUN 2018

NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Schedules	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
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 / GST)		-	-
NPS Trust fees		-	-
Custodian fees (including service Tax / GST)		-	-
Depository and settlement charges (including service Tax / GST)		-	-
Trustees Bank fees		-	-
CRA Fees		-	-
Less: Amount recoverable on sale of units on account of CRA Charges		-	-
Provision for Non-Performing Assets		-	-
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

Devang Vaghani
Partner
Membership No.: 109386

Date: 11 8 JUL 2018
Place: Mumbai

For UTI Retirement Solutions Ltd.

Balram P Bhagat
Chief Executive Officer
& Whole Time Director

Date: 25/04/2018
Place: Mumbai

Leo Puri
Chairman & Director

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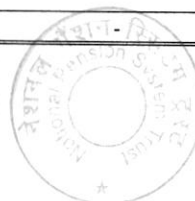
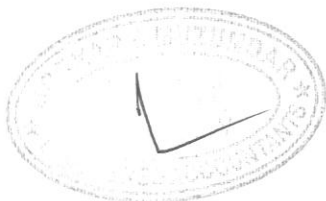
NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2018

Schedule 1	No.	As at March 31, 2018 ₹	As at March 31, 2017 ₹
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		-	-

Schedule 2	As at March 31, 2018 ₹	As at March 31, 2017 ₹
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 Unit Premium Reserve	-	-
Closing Balance	-	-
Unrealised Appreciation Account		
Opening Balance	-	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	-	-
Closing Balance	-	-
Total	-	-

Schedule 3	As at March 31, 2018 ₹	As at March 31, 2017 ₹
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	-	-
Provision on upgraded assets	-	-
Interest received in Advance	-	-

Total

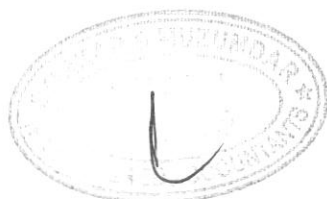


NATIONAL PENSION SYSTEM TRUST
NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2018

Schedule 4	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Investments (Long Term and Short Term)		
Equity Shares	-	-
Preference Shares	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/	-	-
Commercial mortgage based Securities or Residential mortgage based securitie	-	-
Basel III Tier I bonds	-	-
Others - Mutual Fund Units	-	-
Total	<u>-</u>	<u>-</u>

Schedule 5	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Deposits		
Deposits with Scheduled Banks	-	-
Total	<u>-</u>	<u>-</u>

Schedule 6	As at March 31, 2018 ₹	As at March 31, 2017 ₹
Other Current Assets		
Balances with bank in a current account	-	-
Contracts for sale of investments	-	-
Interest Receivable on Non-Performing Investments	-	-
Less: Provision for interest on Non-Performing Investment	-	-
Outstanding and accrued income	-	-
Dividend Receivable	-	-
Brokerage receivable from PFM	-	-
Application money pending allotment	-	-
Sundry Debtors	-	-
Redemption receivable on Non performing Investment	-	-
Less: Provision for Non Performing Investment	-	-
Total	<u>-</u>	<u>-</u>



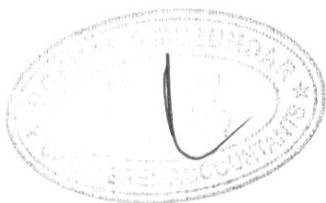
NATIONAL PENSION SYSTEM TRUST

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, 2018

A. Background

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



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

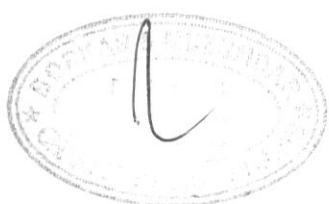
B. Scheme particulars

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:

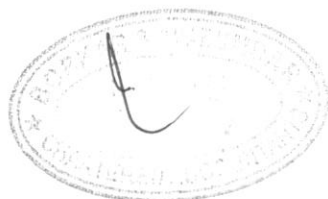
Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 50
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 5
(iv)	Equity Shares	Upto 15

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

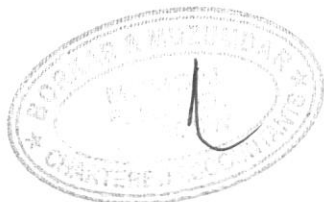
1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Investments:**
 - a. Investments are accounted on trade date.
 - b. Cost is determined on the basis of weighted average cost.
 - c. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
 - d. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex – date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
3. **Valuation of investments:** Investments are valued using the price determined in the following manner:
 - a. **Equity:**
 - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.



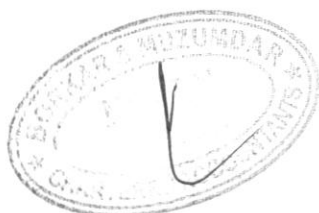
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
 - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
 - b. **Non-traded:** Right entitlement is valued at the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

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

- i. Debt securities (other than Government Securities) with a residual maturity over 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security. The spreads and benchmark rates are used from aggregated CRISIL and ICRA daily matrices.
- ii. Debt securities (other than Government securities) with a residual maturity up to 60 days are valued at NSE/BSE weighted average traded price on that day. When such securities are not traded on a day, they are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.
- iii. Securities purchased by way of private placement are valued at cost till the date of creation of ISIN.
- iv. Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- v. Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- vi. 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.
- vii. Partly paid bonds are valued at cost till it is fully paid.
- viii. 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 / GST

** including service tax / GST

- 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

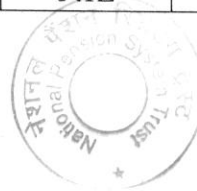
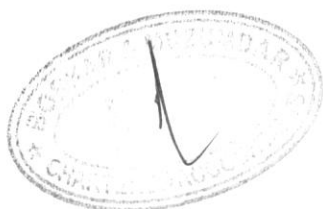
- G.** The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 31st March, 2018 is ₹ NIL. (Previous Year ₹ NIL)

- H. Net Asset Value:**

Current Year	Previous Year
As on 31st March, 2018	As on 31st March, 2017
₹ 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)

K. The Key Statistics for the Financial Year 2017-18 as compared to the Previous Year is attached as per Annexure A.

For M/s Borkar & Muzumdar

For UTI Retirement Solutions Ltd.

Chartered Accountants

Firm Registration No.:101569W

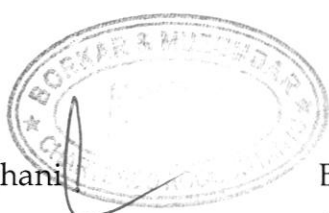
Devang Vaghani

Partner

M. No. - 109386

Date : 18 JUL 2018

Place : Mumbai



Balram P Bhagat

**Chief Executive Officer
& Whole Time Director**

Date : 25/04/2018

Place : Mumbai

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Leo Puri

Chairman & Director



For and on behalf of NPS Trust

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Ashvin Parekh

(Chairman, NPS Trust Board)

Date : 28 JUN 2018

Place : Mumbai



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2016/18

Munish Malik

(Chief Executive Officer, NPS Trust)

Key Statistics			
UTI Retirement Solutions Limited			
NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - Corporate CG			
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	NAV Per Unit (Rs.)*		
	Open	10.0000	10.0000
	High	10.0000	10.0000
	Low	10.0000	10.0000
	End	10.0000	10.0000
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	0.00	0.00
	Average (AAUM)	0.00	0.00
3	Gross income as % of AAUM	-	-
4	Expense Ratio		
a	Total Expense as % of AAUM	-	-
b	Management Fee as % of AAUM	-	-
5	Net Income as a percentage of AAUM	-	-
6	Portfolio turnover ratio	-	-
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	NA	NA
	Last 3 Years	NA	NA
	Last 5 Years	NA	NA
	Since Launch of the scheme (May 21, 2009)	NA	NA
Remarks / Formula / Method of Calculation * Declared NAV; Returns calculated based on declared NAV 1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding) 1a Closing NAV as on 1st April of the Current F Y 1b Highest NAV during the F Y 1c Lowest NAV during the F Y 1d Closing NAV as on 31st March of the Current F Y 2b AAUM = (Aggregate of the daily AUM in the relevant F Y) / (no. of calendar days in the relevant F Y) 3 Gross Income = Total Income as per Revenue Account 4a Total Expenses = Total Expenses as per Revenue Account 4b Investment Management fees (Including applicable Taxes) as per Revenue Account 5 Net Income = Surplus / Deficit as per Revenue Account 6 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM. (Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management) 7 CAGR = $((1 + \text{cumulative return})^n - 1)$ (where n=365/no. of days)			

