

FIRST ANNUAL REPORT- NATIONAL PENSION SYSTEM TRUST

2017-2018

ADITYA BIRLA SUN LIFE PENSION
MANAGEMENT LTD

1361/DAR/WPST

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BASIS AND POLICY OF INVESTMENTS

The subscriptions are invested as per the investment guidelines and restrictions laid down in Schedule II of the Investment Management Agreement (IMA) and as per guidelines prescribed by the Authority from time to time. Further, investments are also governed by internal norms laid down in the investment policy, subject to the above guidelines.

ECONOMIC SCENARIO

Domestic Economic Environment

The beginning of the year saw a slow-down, with GDP growth dropping to a multi-year low of 5.7% in the first quarter, mainly on account of issues relating to demonetization and the implementation of GST. However, with GST implementation stabilizing and the demonetization effect fading, economic activity picked up in the third quarter and GDP growth rebounded to 7.2%. Most of the high frequency data, such as commercial vehicle growth, air cargo growth, domestic two wheeler sales, cement production etc. indicated a strong pick-up in economic activity.

Some concerns on the macro front remain, especially with the trade deficit deteriorating to \$13.7bln in March'18 and the cumulative trade deficit for FY17-18 almost doubling to \$87.2bln as against \$47.7bln in FY16-17. This could put pressure on fiscal consolidation, where the 3% target set for 2019 has been pushed ahead to 2021. The fiscal deficit target for FY17-18 itself has been set at 3.5% from 3.2% earlier. There are also mixed signals on the inflation front. Though CPI inflation for March'18 came at 4.28%, the fourth consecutive month of decline, core inflation increased to 5.30%. The risks to inflation are (i) higher oil prices, with oil currently at over \$70 a barrel and (ii) an increase in the MSP for agricultural commodities, ahead of the elections.

Global Economic Environment

Global growth has shown a healthy trend in FY17-18. The US economy continued to exhibit strength, with upbeat growth at 2.9% in Q4FY17 and unemployment falling to a multi-year low of 4.1%. In the Euro area, economic activity remained buoyant on account of consistently falling unemployment rates and elevated consumer confidence. The Japanese economy registered eight straight quarters of growth till Q42017. Emerging economies such as China and Russia showed a healthy growth in industrial production and high commodity prices boosted the growth in countries like Brazil and South Africa.

However financial markets turned volatile in February-March, 2018, triggered by uncertainty regarding the pace of normalization of US monetary policy and fears of a trade war intensifying after US imposed tariffs on imports from China and China retaliating with similar tariffs on US exports. Though the global growth momentum is expected to sustain, there may be uncertainty in financial markets due to high valuation, normalization of US monetary policy and increased protectionism.

Market Outlook

Equity

The NSE NIFTY gave a return of 10.25% in FY17-18, ending the year at a level of 10,114 after touching a peak of 11,130 on 29th January 2018. Equity markets rallied in the first three quarters, as economic activity picked up and corporate earnings showed a healthy double digit growth. Markets corrected in the last quarter Q4FY18, on account of global trade tensions and rising oil prices. We expect markets to be range bound for a large part of 2018-19 as the contraction of the price earning multiple will continue. A normal monsoon, resolution of the NPA problems plaguing banks and improving macros will be positives for the market. Uncertainty on account global trade tensions, rising oil prices and political rhetoric in the run up to the 2019 general elections will be negatives.

Fixed Income

The 10-year Indian Government Bond yield moved up 72 bps in the year, from 6.68% to 7.40% as on 31st March 2018. Interest rates hardened due to a number of factors including (i) the continuing stress in the banking sector (ii) fiscal slippage and (iii) hardening global interest rates. Interest rates across the world moved up in FY17-18, with the US Fed raising policy rates by 75bps in 2017 and 25bps in 2018 and a further rise of another 50 bps point more expected in 2018.

CPI inflation in India has come at 4.28% in March 2018, after touching a high of 5.21% in December 2017. Brent crude oil has hardened substantial to over \$70 while 10yr US treasury has hardened to 3%. We expect the 10-year G-sec rate to remain in the 7.75%-8.25% range in 2018-19, given the inflationary pressure due to high oil prices, fiscal concerns, a weak currency, tightening global rates and an expected hike in policy rates by 25-50 bps in 2018.

INVESTMENT OBJECTIVE OF THE SCHEME

The investment objectives of NPS Scheme(s) managed by Aditya Birla Sun Life Pension Management Limited (Formerly Birla Sun Life Pension Management Limited) are as under:

Sr no.	Name of Scheme	Investment Objective
	Scheme E – Tier I	To optimize returns through investments in equity shares within the prescribed universe of stocks and money market instruments.
	Scheme E – Tier II	
	Scheme C – Tier I	To optimize returns through investments in eligible fixed income instruments within the prescribed universe and money market instruments.
	Scheme C – Tier II	
	Scheme G – Tier I	To optimize returns through investments in Government and government guaranteed securities and money market instruments.
	Scheme G – Tier II	
	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.
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SCHEME PERFORMANCE AND OPERATIONS

Scheme E Tier I – Equity market instruments

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2018	Rs.11.64 crores	
NAV as on 31/03/2018	10.9217	
Performance as on 31/03/2018: -		
Period	Simple Return%*	
	Scheme	Benchmark [#]
Since Inception	9.22%	9.72%

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

NIFTY 100 Total Return Index (TRI)

Scheme C Tier I –Credit risk bearing fixed income instruments

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2018	Rs.6.76 crores	
NAV as on 31/03/2018	10.9175	
Performance as on 31/03/2018: -		
Period	Simple Return%*	
	Scheme	Benchmark [#]
Since Inception	9.18%	5.31%

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

NPS – Corporate Bond Index

Scheme G Tier I –Government Securities

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2018	Rs.7.49 crores	
NAV as on 31/03/2018	10.4232	
Performance as on 31/03/2018: -		
Period	Simple Return%*	
	Scheme	Benchmark [#]
Since Inception	4.23%	3.40%

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

NPS – Government Securities Index

Scheme A Tier I –Alternative Investment Funds (AIF)

Date of Inception	May 15 th , 2017	
Fund size as on 31/03/2018	Rs.0.11 crores	
NAV as on 31/03/2018	10.5862	
Performance as on 31/03/2018: -		
Period	Simple Return%*	
	Scheme	Benchmark [#]
Since Inception	5.86%	NA

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

No comparable indices replicating the mandate of the scheme is available due to the nascent stage of the product.

Scheme E Tier II – Equity market instruments

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2018	Rs.1.58 crores	
NAV as on 31/03/2018	10.9015	
Performance as on 31/03/2018: -		
Period	Simple Return%*	
	Scheme	Benchmark [#]
Since Inception	9.02%	9.72%

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

NIFTY 100 Total Return Index (TRI)

Scheme C Tier II –Credit risk bearing fixed income instruments

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2018	Rs.0.92 crores	
NAV as on 31/03/2018	10.6474	
Performance as on 31/03/2018: -		
Period	Simple Return%*	
	Scheme	Benchmark [#]
Since Inception	6.47%	5.31%

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

NPS – Corporate Bond Index

Scheme G Tier II –Government Securities

Date of Inception	May 9 th , 2017	
Fund size as on 31/03/2018	Rs.0.93 crores	
NAV as on 31/03/2018	10.0710	
Performance as on 31/03/2018: -		
Period	Simple Return%*	
	Scheme	Benchmark [#]
Since Inception	0.71%	3.40%

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

NPS – Government Securities Index

LIABILITIES AND RESPONSIBILITIES OF THE PF

The Company has been appointed by PFRDA as a pension fund manager for the management of investment of the Schemes referred above and, in that capacity, makes investment decisions and manage the Scheme in accordance with the Investment Guidelines, Scheme Objectives, Investment Management Agreement (IMA) and provisions given under the PFRDA Guidelines / regulations / rules. The transactions entered into by the Company are in accordance with the PFRDA Guidelines, IMA and code of ethics prescribed by the Trustees.

The Company has exercised necessary due diligence and vigilance in carrying out its duties under IMA and in protecting the rights and interest of the subscribers. Investment decisions have been taken with emphasis on safety and optimum returns. The Company has not dealt in any speculative transactions in dealing for investments. The Company will be responsible for the acts of omission or commissions of its employees or the persons whose services have been procured by the Company.

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).

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 – Aditya Birla Sun Life Pension Management Limited - Scheme E Tier I under the National Pension System Trust (NPS Trust) managed by Aditya Birla Sun Life Pension Management Limited which comprise of the Balance Sheet as at March 31, 2018, the Revenue Account for the period 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 (Pension Fund) Regulations, 2015 (as amended), 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 standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a 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 Aditya Birla Sun Life Pension Management Limited.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant

to the PFM's preparation and fair presentation of the financial statements 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 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;
- (b) in the case of the Revenue Account, of the deficit of the Scheme for the period ended on that date;

Report on Other Legal and Regulatory Requirements

- 7 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, we report that:
- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books.

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- d) In our opinion, all transactions expenses in excess of the limits contractually agreed to / approved by the PFRDA are borne by the PFM (if any) and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts), 2014 to the extent made applicable by PFRDA (Pension Fund) Regulations, 2015 (as amended)
- 8 We further certify that:
- a) Investments have been valued by Stock Holding Corporation of India Ltd (SHCIL) in accordance with the guidelines issued by PFRDA and Aditya Birla Sun Life Pension Management Limited has placed reliance on the valuation prices as provided by SHCIL as explained in Note 7.3 of the Financial Statements.
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W



(S. M. Chitale)
Partner
M No.: 111383

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

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E Tier I
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at March 31, 2018
Liabilities		
Unit Capital	1	106,619,114
Reserve & Surplus	2	9,826,644
Current Liabilities	3	3,901,256
Total		<u>120,347,014</u>
Assets		
Investment	4	120,191,239
Other Current Assets	5	155,775
Total		<u>120,347,014</u>
(a) Net asset as per Balance Sheet (Schedule 4+5-3)		<u>116,445,758</u>
(b) number of units outstanding		10,661,911

Significant accounting policies and notes to accounts

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

For Aditya Birla Sun Life Pension Management Limited

Chitale

S. M. Chitale

Partner

Membership No. 111383



Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman, NPS Board)

Place : Mumbai

Date :

28 JUN 2018



Munish Malik
Munish Malik

(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E- Tier I
REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2018

Particulars	Note	Period ended March 31, 2018 ₹
Income		
Dividend		1,75,514
Profit on sale/redemption of investments	6	1,27,896
Unrealised gain on appreciation in investments		5,229
Other income		
Total Income (A)		3,08,639
Expenses & Losses		
Unrealised losses in value of investments		32,84,807
Loss on sale/redemption of investments		611
Management fees (including service tax)		3,190
NPS Trust fees		2,710
Custodian fees		1,017
NSDL charges		5
CRA fees		67,859
Less: Amount recoverable by sale of units on account of CRA Charges		-67,859
Total Expenditure (B)		32,92,340
Surplus/(Deficit) for the year (A-B = C)		(29,83,701)
Less: Amount transferred to Unrealised appreciation account		-32,79,578
Less: Amount transferred to General Reserve		2,95,877
Amount carried forward to Balance Sheet		-
Significant accounting policies and notes to accounts	7 & 8	

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Chitale

S. M. Chitale
Partner

Membership No. 111383



For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : 28 JUN 2018

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman, NPS Board)

Place : Mumbai

Date : 28 JUN 2018



Munish Malik
Munish Malik

(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C-ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E Tier I
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31 2018

Note 1: Unit capital	As at March 31, 2018
<u>Unit Capital</u>	
Outstanding at the beginning of the period	-
Add :Units issued during the period	162,794,844
Less: Units redeemed during the period	(56,175,730)
Outstanding at the end of the period	<u>106,619,114</u>
(Face Value of Rs.10/- each unit, fully paid up)	
Outstanding units at the beginning of the period	-
Add :Units issued during the period	16,279,484
Less: Units redeemed during the period	(5,617,573)
Outstanding Units at the end of the period	<u>10,661,911</u>
Note 2: Reserves and surplus	As at March 31, 2018
<u>Unit premium reserve</u>	
Opening balance	-
Add: Premium on Units issued	19,087,148
Less: Premium on Units redeemed	(6,276,803)
Closing balance	<u>12,810,345</u>
<u>General Reserve</u>	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	295,877
Closing balance	<u>295,877</u>
<u>Unrealised Appreciation Reserve</u>	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	(3,279,578)
Closing balance	<u>(3,279,578)</u>
Total	<u>9,826,644</u>
Note 3: Current liabilities and provisions	As at March 31, 2018
<u>Redemption Payable</u>	134,376
Contracts for purchase of investments	3,760,007
Sundry creditors for expenses	
NPS charges payable	1,926
NSDL Fees Payable	5
Management fees payable	2,273
Custody charges payable	1,017
Other payable	1,650
Total	<u>3,901,256</u>
Note 4: Investments	As at March 31, 2018
<u>Investment Central Government Securities</u>	-
Equity shares	116,400,036
Debentures and Bonds Listed/Awaited Listed"	-
Investment SDLIC	-
Mutual Fund Units	3,791,203
Total	<u>120,191,239</u>
Note 5: Other current assets	As at March 31, 2018
<u>Balances with banks in current account</u>	155,775
Total	<u>155,775</u>
Note 6: Realised Gain on Sale/redemption of investment	For the period ended March 31, 2018
<u>Profit on Sale of Equity shares</u>	83,598
Profit on sale of Mutual fund scheme Units	44,298
Total	<u>127,896</u>

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655V

S. M. Chitale
Partner
Membership No. 111388

Place : Mumbai
Date : 28 JUN 2018
For and on behalf of NPS Trust
(Chairman, NPS Board)
Place : Mumbai
Date :

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnar
(CEO)

S.C.Bhargava
(Director)

Munish Malik
(Chief Executive officer)



28 JUN 2018

NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME E TIER I

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of 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 Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017. NPS trust has designated



Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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 maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

The financials have been prepared for SCHEME E TIER I being managed by the Company.

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the



Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis

(vi) Securities traded at a stock exchange:

- Equity traded on valuation day (Actively Traded equity): Where a security is traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, may be used (Closing prices from BSE/NSE for the day).
- Equity not traded on valuation day (Thinly traded equity): When a security is not traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.
- Non traded rights are valued at the difference of closing market price of the original equity share for the day and the offer price. Traded rights are valued at the closing market price of the rights renunciation till the time of application. In the event of application of rights, the rights entitlement would be valued at the closing market price of the original equity share till the date of allotment/listing.
- Mutual fund units are valued based on the net asset values of the preceding day of the valuation date.

(vii) Securities not traded at a stock exchange:

Non-traded / thinly traded / privately placed equity securities including those not traded within thirty days are valued "in-good faith" on the basis of following valuation methods approved by the Authority/Trust:

Equity instruments are generally valued on the basis of capitalization of earnings solely or in combination with the net asset value, using for the purposes of capitalization, the price or earning ratios of comparable traded securities and with an appropriate discount for lower liquidity.

7.4 Income Recognition

- Dividend is accounted on accrual basis and recognised on the date the share is quoted on ex-dividend basis
- Bonus entitled shares is recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- Rights entitlements are recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.



- Profit or loss on sale of equity is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost on the date of sale.
- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company has started charging investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from May 05, 2017, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from May 05, 2017 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.



7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due. Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C
ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED - SCHEME E TIER I
NOTE 8 Notes to Accounts

- 8.1 All investments of the scheme are in the name of the NPS trust .
8.2 At the end of the financial year , there are no open positions of derivatives in the scheme
8.3 The Schemes investments made in associates and Group companies as on Mar 31, 2018

Security particulars	no of shares/bonds	As on 31.03.2018	
		Cost	Market Value
Nil	Nil	Nil	Nil

- 8.4 As on the date of Balance sheet , the scheme does not have any investments which can be categorized as NPA

- 8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2018	
	Amount (in Rs.)	% to AAUM
Unrealised Gain	5,229	0.02%
Unrealised Loss	3,284,807	10.87%
Net Unrealised Loss	3,279,578	10.85%

- 8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	As on 31.03.2018
Average Net Asset Value	30,218,822
Purchase of Investment	249,063,774
% to average Net Asset Value	824%
Sale of Investment	126,180,467
% to average Net Asset Value	418%

- 8.7 Following are the transaction with Associates & Group companies under the scheme

- a) The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2018

Particular	E-TIER I
	Amount (in Rs.)
Investment management fees	3,190

- b) Balance with Aditya Birla Sun life Pension management Ltd

Particular	E-TIER I
	Amount (in Rs.)
Investment Management Fees payable	2,273

- 8.8 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 confirmation from CRA the number of units as at the year end are 106,61,911

- 8.9 Unit NAV

Particular	As on 31.03.2018
NAV per unit (Rs)	10.9217

- 8.10 The scheme has no contingent liability as at the end financial year.

- 8.11 This being the first year of operations for the scheme, comparative figures for previous year are not given

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

For Aditya Birla Sun Life Pension Management Limited

S. M. Chitale
Partner
Membership No. 111883

Sashi Krishnan
(CEO)

S.C.Bhargava
(Director)

Place : Mumbai
Date : 28 JUN 2018
For and on behalf of NPS Trust

Chairman, NPS Board
Place : Mumbai
Date :

Munish Malik
(Chief Executive officer)

28 JUN 2018

NAME OF PENSION FUND
SCHEME NAME
MONTH

NPS TRUST A/C-ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E Tier I
E-TIER I
March'18

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio	Ratings
MARUTI SUZUKI INDIA LTD.	INE585B01010	Manufacture of passenger cars	910.00	8,063,601.00	6.92%	
MAHINDRA AND MAHINDRA LTD	INE101A01026	Manufacture of motor vehicles n.e.c.	4,573.00	3,378,989.70	2.90%	
KOTAK MAHINDRA BANK LIMITED	INE237A01028	Monetary intermediation of commercial banks, saving banks, postal savings	4,457.00	4,670,044.60	4.01%	
PETRONET LNG LTD	INE347G01014	Distribution and sale of gaseous fuels through mains	20,271.00	4,682,973.15	4.02%	
HINDUSTAN UNILEVER LIMITED	INE30A01027	Manufacture of soap all forms	5,982.00	7,976,099.70	6.85%	
RELIANCE INDUSTRIES LIMITED	INE002A01018	Manufacture of other petroleum n.e.c.	10,637.00	9,389,279.90	8.06%	
ASIAN PAINTS LTD.	INE021A01026	Manufacture of paints and varnishes, enamels or lacquers	3,617.00	4,052,486.80	3.48%	
POWER GRID CORPORATION OF INDIA LIMITED	INE752E01010	Transmission of electric energy	7,760.00	1,499,620.00	1.29%	
SUN PHARMACEUTICALS INDUSTRIES LTD	INE044A01036	Manufacture of allopathic pharmaceutical preparations	4,790.00	2,371,529.00	2.04%	
HOUSING DEVELOPMENT FINANCE CORPORATION	INE001A01036	Activities of specialized institutions granting credit for house purchases	3,836.00	7,003,001.60	6.01%	
Zee Entertainment	INE256A01028	Television programming and broadcasting activities	7,985.00	4,595,367.50	3.95%	
ITC LTD	INE154A01025	Manufacture of cigarettes, cigarette tobacco	18,210.00	4,652,655.00	4.00%	
LARSEN AND TOUBRO LIMITED	INE018A01030	Other civil engineering projects n.e.c.	5,376.00	7,047,398.40	6.05%	
Pidlite	INE318A01026	Manufacture of organic and inorganic chemical compounds n.e.c.	530.00	486,434.00	0.42%	
STATE BANK OF INDIA	INE062A01020	Monetary intermediation of commercial banks, saving banks, postal savings	12,780.00	3,193,722.00	2.74%	
AMBUJA CEMENTS LTD	INE079A01024	Manufacture of clinkers and cement	17,300.00	4,030,035.00	3.46%	
TATA STEEL LIMITED.	INE081A01012	Manufacture of hot-rolled and cold-rolled products of steel	8,261.00	4,717,444.05	4.05%	
HINDALCO INDUSTRIES LTD.	INE038A01020	Manufacture of Aluminium from alumina and by other methods and products	20,975.00	4,500,186.25	3.86%	
BHARTI AIRTEL LTD	INE397D01024	Activities of maintaining and operating paging, cellular and other	5,500.00	2,192,850.00	1.88%	
HDFC BANK LTD	INE040A01026	Monetary intermediation of commercial banks, saving banks, postal savings	3,091.00	5,829,935.10	5.01%	
ICICI BANK LTD	INE090A01021	Monetary intermediation of commercial banks, saving banks, postal savings	9,956.00	2,771,252.60	2.38%	
INFOSYS LTD EQ	INE009A01021	Writing, modifying, testing of computer program to meet the need	3,150.00	3,565,170.00	3.06%	
EICHER MOTORS LTD	INE066A01013	Manufacture of commercial vehicles such as vans, lorries, over-the-road	82.00	2,326,557.30	2.00%	
HCL Technologies Limited	INE860A01027	Writing, modifying, testing of computer program to meet the need	2,950.00	2,857,370.00	2.45%	
TECH MAHINDRA LIMITED	INE669C01036	Writing, modifying, testing of computer program to meet the need	4,050.00	2,586,735.00	2.22%	
GAIL (INDIA) LIMITED	INE129A01019	Distribution and sale of gaseous fuels through mains	11,420.00	3,752,041.00	3.22%	
TATA STEEL RIGHTS PARTLY PAID -EXERCISED	IN9081A01010	Manufacture of hot-rolled and cold-rolled products of steel	392.00	55,095.60	0.05%	
HERO MOTOCORP LIMITED	INE158A01026	Manufacture of motorcycles, scooters, mopeds etc. and their	1,172.00	4,152,161.60	3.57%	
Total				116,400,035.85	99.96%	

Money Market Instruments:-	Market Value	% of Portfolio	Ratings
- Treasury Bills	-	-	-
- Money Market Mutual Funds	3,791,203.03	3.26%	
- Certificate of Deposits / Commercial Papers	-	-	-
- Application Pending Allotment	-	-	-
- Bank Fixed Deposits (< 1 Year)	-	-	-
- Cash/ Cash Equivalent & Net Current Assets	155,776.46	0.13%	
- Other Current Assets (Accrued Interest)	(3,901,256.72)	-3.35%	
GRAND TOTAL	116,445,758.62	100.00%	



0

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E Tier I**

Key Statistics for the year ended March 31, 2018

S. No	Particular	As at March 31,2018
1	NAV per Unit (Rs)	
	Open	10.000
	High	11.963
	Low	9.733
	End	10.921
2	Closing Assets Under Management (Rs in Lakhs)	
	End	1,164.4
	Average (AAUM)	302.15
3	Gross Income % of AAUM@	1.02%
4	Expense Ratio	
	a.Total Expenses as % of AAUM @	0.03%
	b.Management fees as a % of AAUM	0.01%
5	Net Income as a % of AAUM@	-9.87%
6	Portfolio turnover ratio	0.03
7	Returns (%) * Compounded Annualised Yield	
	Last 1 Year	
	Last 3 years	
	Last 5 years	
	Since Launch of the Scheme	9.22
	Launch Date	09/05/2017
@includes unrealised gain or loss 1 Gross income =amount in the Revenue account i.e income 2 Net income =amount in the revenue account i.e net realised gains/loss for the year /period 3 Portfolio turnover = Lower of sales or purchase divided by the average AUM for the year / period. 4 AAUM = Average daily net assets 5 NAV= (Market value of investments held by scheme + Value of current assets -value of current liability and provisions, if any)/no. of units at the valuation date (before creation / redemption of units)		



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 – Aditya Birla Sun Life Pension Management Limited - Scheme E Tier II under the National Pension System Trust (NPS Trust) managed by Aditya Birla Sun Life Pension Management Limited which comprise of the Balance Sheet as at March 31, 2018, the Revenue Account for the period 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 (Pension Fund) Regulations, 2015 (as amended), 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 standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility includes the design, implementation and maintenance of internal control 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 Aditya Birla Sun Life Pension Management Limited.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the PFM's preparation and fair presentation of the financial statements 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 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;
- (b) in the case of the Revenue Account, of the deficit of the Scheme for the period ended on that date;

Report on Other Legal and Regulatory Requirements

- 7 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, we report that:
- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme.



- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books.
- d) In our opinion, all transactions expenses in excess of the limits contractually agreed to / approved by the PFRDA are borne by the PFM (if any) and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts), 2014 to the extent made applicable by PFRDA (Pension Fund) Regulations, 2015 (as amended)
- 8 We further certify that:
- a) Investments have been valued by Stock Holding Corporation of India Ltd (SHCIL) in accordance with the guidelines issued by PFRDA and Aditya Birla Sun Life Pension Management Limited has placed reliance on the valuation prices as provided by SHCIL as explained in Note 7.3 of the Financial Statements.
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

Chitale

(S. M. Chitale)
Partner
M No.: 111383

Place : Mumbai

Date: 28 JUN 2018

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E Tier II
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at March 31,2018
Liabilities		
Unit Capital	1	14,534,078
Reserve & Surplus	2	1,310,219
Current Liabilities	3	210,198
Total		16,054,495
Assets		
Investment	4	15,841,457
Other Current Assets	5	213,038
Total		16,054,495
(a) Net asset as per Balance Sheet (Schedule 4+5-3)		15,844,297
(b) number of units outstanding		1,453,408

Significant accounting policies and notes to accounts

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

For Aditya Birla Sun Life Pension Management Limited

Chitale

S. M. Chitale

Partner

Membership No. 111383



Sashi Krishnan
Sashi Krishnan
(CEO)



S.C. Bhargava
S.C. Bhargava
(Director)

Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman, NPS Board)

Place : Mumbai

Date :



Munish Malik
Munish Malik

(Chief Executive officer)

28 JUN 2018

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E- Tier II
REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2018

Particulars	Note	Period ended March 31, 2018 ₹
Income		
Dividend		35,398
Interest		-
Profit on sale/redemption of investments	6	48,017
Total Income (A)		<u>83,415</u>
Expenses & Losses		
Unrealised losses in value of investments		2,68,689
Loss on sale/redemption of investments		35,514
Management fees (including service tax)		698
NPS Trust fees		592
Custodian fees		222
Depository and settlement charges		21
CRA fees		4,564
Less: Amount recoverable by sale of units on account of CRA Charges		-4,564
Total Expenditure (B)		<u>3,05,735</u>
Surplus/(Deficit) for the year (A-B = C)		(2,22,321)
Less: Amount transferred to Unrealised appreciation account		-2,68,689
Less: Amount transferred to General Reserve		46,368
Amount carried forward to Balance Sheet		<u>-</u>
Significant accounting policies and notes to accounts	7 & 8	

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Chitale

S. M. Chitale

Partner

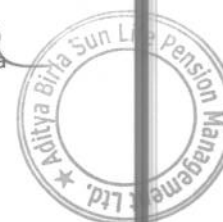
Membership No. 111383



For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Ashwin Kaveran

(Chairman, NPS Board)

Place : Mumbai

Date :



Munish Malik
Munish Malik

(Chief Executive officer)

28 JUN 2018

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E Tier II
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31 2018

Note 1: Unit capital As at March 31,2018

Unit Capital	
Outstanding at the beginning of the period	-
Add :Units issued during the period	26,330,304
Less: Units redeemed during the period	(11,796,226)
Outstanding at the end of the period	<u>14,534,078</u>

(Face Value of Rs.10/- each unit, fully paid up)	
Outstanding units at the beginning of the period	-
Add :Units issued during the period	2,633,031
Less: Units redeemed during the period	(1,179,623)
Outstanding Units at the end of the period	<u>1,453,408</u>

Note 2: Reserves and surplus As at March 31,2018

Unit premium reserve	
Opening balance	-
Add: Premium on Units issued	2,711,365
Less: Premium on Units redeemed	(1,178,825)
Closing balance	<u>1,532,540</u>
General Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	46,368
Closing balance	<u>46,368</u>
Unrealised Appreciation Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	(268,689)
Closing balance	<u>(268,689)</u>
Total	<u>1,310,219</u>

Note 3: Current liabilities and provisions As at March 31,2018

Sundry creditors for expenses	
Redemption Payable	208,515
Other payable	712
NPS charges payable	333
NSDL Fees Payable	21
Management fees payable	394
Custody charges payable	222
Total	<u>210,198</u>

Note 4: Investments As at March 31,2018

Investment Central Government Securities	
Equity shares	15,841,457
Debentures and Bonds Listed/Awaited Listed"	-
Investment SDLC	-
Mutual Fund Units	-
Total	<u>15,841,457</u>

Note 5: Other current assets As at March 31,2018

Balances with banks in current account	
Receivable for sale of investments	171,557
	41,481
Total	<u>213,038</u>

Note 6: Realised Gain on Sale/redemption of Investment For the period ended March 31,2018

Profit on Sale of Equity shares	
Profit on sale of Mutual fund scheme Units	42,895
Total	<u>5,122</u> <u>48,017</u>

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W
S. M. Chitale
Partner
Membership No. 111883

For Aditya Birla Sun Life Pension Management Limited

Seshi Krishnan
(CEO)

S.C.Bhargava
(Director)

Place : Mumbai

Date :

For and on behalf of NPS Trust

(Chairman, NPS Board)

Place : Mumbai

Date :

Munish Malik
(Chief Executive officer)

28 JUN 2018



NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME E TIER II

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of 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 Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017. NPS trust has designated



Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA..

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 maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

The financials have been prepared for SCHEME E TIER II being managed by the Company.

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the



Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis

(vi) Securities traded at a stock exchange:

- Equity traded on valuation day (Actively Traded equity): Where a security is traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, may be used (Closing prices from BSE/NSE for the day).
- Equity not traded on valuation day (Thinly traded equity): When a security is not traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.
- Non traded rights are valued at the difference of closing market price of the original equity share for the day and the offer price. Traded rights are valued at the closing market price of the rights renunciation till the time of application. In the event of application of rights, the rights entitlement would be valued at the closing market price of the original equity share till the date of allotment/listing.
- Mutual fund units are valued based on the net asset values of the preceding day of the valuation date.

(vii) Securities not traded at a stock exchange:

Non-traded / thinly traded / privately placed equity securities including those not traded within thirty days are valued "in-good faith" on the basis of following valuation methods approved by the Authority/Trust:

Equity instruments are generally valued on the basis of capitalization of earnings solely or in combination with the net asset value, using for the purposes of capitalization, the price or earning ratios of comparable traded securities and with an appropriate discount for lower liquidity.

7.4 Income Recognition

- Dividend is accounted on accrual basis and recognised on the date the share is quoted on ex-dividend basis
- Bonus entitled shares is recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.
- Rights entitlements are recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.



- Profit or loss on sale of equity is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost on the date of sale.
- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company has started charging investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from May 05, 2017, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from May 05, 2017 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.



7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due. Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



8.1 All investments of the scheme are in the name of the NPS trust.

8.2 At the end of the financial year, there are no open positions of derivatives in the scheme

8.3 The Schemes investments made in associates and Group companies as on Mar 31, 2018

Security particulars	no of shares/bonds	As on 31.03.2018	
		Cost	Market Value
Nil	Nil	Nil	Nil

8.4 As on the date of Balance sheet, the scheme does not have any investments which can be categorized as NPA

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2018	
	Rs in Crs	% to AAUM
Unrealised Gain	0	0.00%
Unrealised Loss	268,689	2.69%
Net Unrealised Loss	268,689	2.69%

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	As on 31.03.2018
Average Net Asset Value	6,572,755
Purchase of Investment	28,681,586
% to average Net Asset Value	436%
Sale of Investment	12,666,633
% to average Net Asset Value	193%

8.7 Following are the transaction with Associates & Group companies under the scheme

a) The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2018

Particular	E-Tier II
	31.03.2018
Investment management fees	698

b) Balance with Aditya Birla Sun life Pension management Ltd

Particular	E-Tier II
	31.03.2018
Investment Management Fees payable	394

8.8 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 confirmation from CRA the number of units as at the year end are 14,53,408

8.9 Unit NAV

Particular	As on 31.03.2018
NAV per unit (Rs)	10.9015

8.10 The scheme has no contingent liability as at the end financial year.

8.11 This being the first year of operations for the scheme, comparative figures for previous year are not given

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

Chitale
S. M. Chitale
Partner
Membership No. 111383

Place : Mumbai
Date : 28 JUN 2018

For and on behalf of NPS Trust

Munish Malik
(Chairman, NPS Board)
Place : Mumbai
Date :

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)

Munish Malik
Munish Malik

(Chief Executive officer)

28 JUN 2018

Portfolio Statement for the Year ended March 31, 2018
 NPS TRUST A/C-ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E Tier II
 E-TIER II
 March '18

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio	Ratings
ICICI BANK LTD	INE090A01021	Monetary intermediation of commercial banks, saving banks, postal savings	1,667.00	464,009.45	2.93%	
LARSEN AND TOUBRO LIMITED	INE018A01030	Other civil engineering projects n.e.c.	755.00	989,729.50	6.25%	
HERO MOTOCORP LIMITED	INE158A01026	Manufacture of motorcycles, scooters, mopeds etc. and their	182.00	644,789.60	4.07%	
MAHINDRA AND MAHINDRA LTD	INE101A01026	Manufacture of motor vehicles n.e.c.	700.00	517,230.00	3.26%	
PETRONET LNG LTD	INE347G01014	Distribution and sale of gaseous fuels through mains	2,764.00	638,345.80	4.03%	
SUN PHARMACEUTICALS INDUSTRIES LTD	INE044A01036	Manufacture of allopathic pharmaceutical preparations	150.00	74,265.00	0.47%	
HOUSING DEVELOPMENT FINANCE CORPORATION	INE001A01036	Activities of specialized institutions granting credit for house purchases	597.00	1,089,883.20		
ITC LTD	INE154A01025	Manufacture of cigarettes, cigarette tobacco	2,923.00	746,826.50	6.88%	
STATE BANK OF INDIA	INE062A01020	Monetary intermediation of commercial banks, saving banks, postal savings	1,953.00	488,054.70	3.08%	
TATA STEEL LIMITED	INE081A01012	Manufacture of hot-rolled and cold-rolled products of steel	1,303.00	744,078.15	4.70%	
HINDALCO INDUSTRIES LTD.	INE038A01020	Manufacture of Aluminium from alumina and by other methods and products	2,840.00	609,322.00	3.85%	
HDFC BANK LTD	INE040A01026	Monetary intermediation of commercial banks, saving banks, postal savings	370.00	697,857.00	4.40%	
INFOSYS LTD EQ	INE009A01021	Writing, modifying, testing of computer program to meet the need	325.00	367,835.00	2.32%	
HCL Technologies Limited	INE860A01027	Writing, modifying, testing of computer program to meet the need	265.00	256,679.00	1.62%	
TECH MAHINDRA LIMITED	INE669C01036	Writing, modifying, testing of computer program to meet the need	415.00	265,060.50	1.67%	
TATA STEEL RIGHTS PARTLY PAID - EXERCISED	IN9081A01010	Manufacture of hot-rolled and cold-rolled products of steel	70.00	9,838.50		
GAIL (INDIA) LIMITED	INE129A01019	Distribution and sale of gaseous fuels through mains	1,660.00	545,393.00	3.44%	
Eicher Motors Ltd	INE066A01013	Manufacture of commercial vehicles such as vans, lorries, over-the-road	13.00	368,844.45	2.33%	
BHARTI AIRTEL LTD	INE397D01024	Activities of maintaining and operating paging, cellular and other	250.00	99,675.00	0.63%	
AMBUJA CEMENTS LTD	INE079A01024	Manufacture of clinkers and cement	2,658.00	619,181.10	3.91%	
Zee Entertainment	INE256A01028	Television programming and broadcasting activities	1,252.00	720,526.00	4.55%	
RELANCE INDUSTRIES LIMITED	INE002A01018	Manufacture of other petroleum n.e.c.	1,361.00	1,201,354.70	7.58%	
MARUTI SUZUKI INDIA LTD.	INE585B01010	Manufacture of passenger cars	130.00	1,151,943.00	7.27%	
KOTAK MAHINDRA BANK LIMITED	INE237A01028	Monetary intermediation of commercial banks, saving banks, postal savings	628.00	658,018.40	4.15%	
HINDUSTAN UNILEVER LIMITED	INE030A01027	Manufacture of soap all forms	939.00	1,252,015.65	7.90%	
ASIAN PAINTS LTD.	INE021A01026	Manufacture of paints and varnishes, enamels or lacquers	554.00	620,701.60	3.92%	
Total				15,841,456.80	99.98%	

Money Market Instruments:-	Market Value	% of Portfolio	Ratings
- Treasury Bills	-	-	
- Money Market Mutual Funds	-	-	
- Certificate of Deposits / Commercial Papers	-	-	
- Application Pending Allotment	-	-	
- Bank Fixed Deposits (< 1 Year)	-	-	
- Cash/ Cash Equivalent & Net Current Assets	171,557.59	1.08%	
- Other Current Assets	(168,718.20)	-1.06%	
GRAND TOTAL	15,844,296.19	100.00%	



NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E Tier II
Key Statistics for the year ended March 31, 2018

S. No	Particular	As at March 31,2018
1	NAV per Unit (Rs)	
	Open	10.0000
	High	11.9361
	Low	9.7717
	End	10.9015
2	Closing Assets Under Management (Rs in Lakhs)	
	End	158.44
	Average (AAUM)	65.73
3	Gross Income % of AAUM@	1.27%
4	Expense Ratio	
	a.Total Expenses as % of AAUM @	0.03%
	b.Management fees as a % of AAUM	0.01%
5	Net Income as a % of AAUM@	-3.38%
6	Portfolio turnover ratio	0.16
7	Returns (%) * Compounded Annualised Yield	
	Last 1 Year	
	Last 3 years	
	Last 5 years	
	Since Launch of the Scheme	9.02
	Launch Date	09/05/2017
<p>@includes unrealised gain or loss</p> <p>1 Gross income =amount in the Revenue account i.e income</p> <p>2 Net income =amount in the revenue account i.e net realised gains/loss for the year /period</p> <p>3 Portfolio turnover = Lower of sales or purchase divided by the average AUM for the year / period.</p> <p>4 AAUM = Average daily net assets</p> <p>NAV= (Market value of investments held by scheme + Value of current assets -value of current liability and provisions, if any)/no. of units at the valuation date (before creation / redemption of units)</p>		



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 – Aditya Birla Sun Life Pension Management Limited - Scheme C Tier I under the National Pension System Trust (NPS Trust) managed by Aditya Birla Sun Life Pension Management Limited which comprise of the Balance Sheet as at March 31, 2018, the Revenue Account for the period 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 (Pension Fund) Regulations, 2015 (as amended), 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 standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility includes the design, implementation and maintenance of internal control 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 Aditya Birla Sun Life Pension Management Limited.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant

to the PFM's preparation and fair presentation of the financial statements 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 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;
- (b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date;

Report on Other Legal and Regulatory Requirements

- 7 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, we report that:
- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books.



- d) In our opinion, all transactions expenses in excess of the limits contractually agreed to / approved by the PFRDA are borne by the PFM (if any) and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts), 2014 to the extent made applicable by PFRDA (Pension Fund) Regulations, 2015 (as amended)
- 8 We further certify that:
- a) Investments have been valued by Stock Holding Corporation of India Ltd (SHCIL) in accordance with the guidelines issued by PFRDA and Aditya Birla Sun Life Pension Management Limited has placed reliance on the valuation prices as provided by SHCIL as explained in Note 7.3 of the Financial Statements.
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

Shitale

(S. M. Chitale)
Partner
M No.: 111383

Place : Mumbai

Date: **28 JUN 2018**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - C Tier I
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at March 31, 2018
Liabilities		
Unit Capital	1	61,944,087
Reserve & Surplus	2	5,683,615
Current Liabilities	3	24,982
<u>Total</u>		<u>67,652,684</u>
Assets		
Investment	4	65,395,997
Other Current Assets	5	2,256,687
<u>Total</u>		<u>67,652,684</u>
(a) Net asset as per Balance Sheet (Schedule 4+5-3)		67,627,702
(b) number of units outstanding		6,194,409

Significant accounting policies and notes to accounts forming part of Financial Statement

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Chitale

S. M. Chitale

Partner

Membership No. 111383



For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman, NPS Board)

Place : Mumbai

Date :

28 JUN 2018



Munish Malik
Munish Malik
(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - C- Tier I
REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2018

Particulars	Note	Period ended March 31, 2018 ₹
Income		
Dividend		-
Interest		10,52,007
Profit on sale/redemption of investments	6	93,665
Profit on sale of inter-scheme transfer/ Sale of investments		-
Unrealised gain on appreciation in investments		43,660
Other income		
Total Income (A)		11,89,332
Expenses & Losses		
Management fees (including service tax)		1,700
NPS Trust fees		1,441
Custodian fees		467
Transaction charges		824
CRA fees		31,794
Less: Amount recoverable by sale of units on account of CRA Charges		-31,794
Total Expenditure (B)		4,432
Surplus/(Deficit) for the period (A-B = C)		11,84,900
Less: Amount transferred to Unrealised appreciation account		43,660
Less: Amount transferred to General Reserve		11,41,240
Amount carried forward to Balance Sheet		-

Significant accounting policies and notes to accounts

7 & 8

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Chitale

S. M. Chitale

Partner

Membership No. 111383



For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman, NPS Board)

Place : Mumbai

Date :

28 JUN 2018



Munish Malik
Munish Malik
(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - C Tier I

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31 2018

Note 1: Unit capital As at March 31,2018

Unit Capital	
Outstanding at the beginning of the period	-
Add :Units issued during the period	94,902,863
Less: Units redeemed during the period	(32,958,776)
Outstanding at the end of the period	<u>61,944,087</u>

(Face Value of Rs.10/- each unit, fully paid up)

Outstanding units at the beginning of the period	-
Add :Units issued during the period	9,490,286
Less: Units redeemed during the period	(3,295,878)
Outstanding Units at the end of the period	<u>6,194,409</u>

Note 2: Reserves and surplus As at March 31,2018

Unit premium reserve	
Opening balance	-
Add: Premium on Units issued	6,847,638
Less: Premium on Units redeemed	(2,348,923)
Closing balance	<u>4,498,715</u>
General Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	1,141,240
Closing balance	<u>1,141,240</u>
Unrealised Appreciation Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	43,660
Closing balance	<u>43,660</u>
Total	<u>5,683,615</u>

Note 3: Current liabilities and provisions As at March 31,2018

Redemption Payable	21,386
Sundry creditors for expenses	
NPS charges payable	1,058
Management fees payable	1,248
Custody charges payable	467
Transaction Charges Payable	823
Total	<u>24,982</u>

Note 4: Investments As at March 31,2018

Investment Central Government Securities	-
Equity shares	-
Debentures and Bonds Listed/Awaited Listed"	56,655,002
Investment SDL	-
Mutual Fund Units	8,740,995
Total	<u>65,395,997</u>

Note 5: Other current assets As at March 31,2018

Balances with banks in current account	67,894
Income accrued and Due	
Interest Receivable on NCD	66,400
Income accrued but not Due	
Interest Receivable but Not Due on NCD	2,122,393
Total	<u>2,256,687</u>

Note 6: Realised Gain on Sale/redemption of Investment For the Period
March 31,2018

Profit on sale of Mutual fund scheme Units	93,665
Total	<u>93,665</u>

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

S. M. Chitale

Partner

Membership No. 111383

Place : Mumbai

Date :

For and on behalf of NPS Trust

(Chairman, NPS Board)

Place : Mumbai

Date :

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan

(CEO)

S.C.Bhargava

(Director)

Munish Malik

(Chief Executive officer)

28 JUN 2018

NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME C TIER I

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of 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 Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.



NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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 maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.



As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

(vi) Debt Securities other than Government Securities

- Debt securities other than Government securities with a residual maturity over 60 days are valued at weighted average traded price on that day. When such securities are not traded on a particular day, they are valued on a yield to maturity basis, by using spreads over risk free benchmark yield obtained from agencies entrusted for the said purpose, by association of mutual fund in India (AMFI) to arrive at the yield for pricing the security.
- Debt securities other than Government securities with a residual maturity upto 60 days are valued at weighted average traded price on that day. When such securities are not traded on a particular 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. In case of floating rate securities with floors and caps on coupon rate and residual maturity of upto 60 days, then those shall be valued on amortisation basis, taking the coupon rate as floor.

(vii) Valuation of securities having call and/or Put options:

- Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.
- For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.

(viii) Valuation of Partly Paid up Bonds

Partly paid bonds will be valued on the paid up value of the bonds till it is fully paid.

(ix) Valuation of debt securities below Investment grade of BBB-

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)



(x) Valuation of Money Market Investment and Mutual Fund

Money market instruments like treasury bills, commercial paper, and certificate of deposit are valued at amortised cost. If they are traded, then they are valued at the last traded price on NSE.

Mutual fund units are valued based on the net asset value of the preceding day of the valuation date

7.4 Income Recognition

- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date up to the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date up to the date of sale credited to Interest Recoverable Account and not included in sale value.
- Accretion of discount and amortisation of premium relating to debt securities like Zero Coupon Bond and Money Market Investment are recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of debt securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company has started charging investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from May 05, 2017, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.



7.7 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from May 05, 2017 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.



7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



8.1 All investments of the scheme are in the name of the NPS trust.

8.2 At the end of the financial year, there are no open positions of derivatives in the scheme

8.3 The Schemes investments made in associates and Group companies as on Mar 31, 2018

Security particulars	no of shares/bonds	As on 31.03.2018	
		Cost	Market Value
Nil	Nil	Nil	Nil

8.4 As on the date of Balance sheet, the scheme does not have any investments which can be categorized as NPA

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2018	
	Amount (in Rs.)	% to AAUM
Unrealised Gain	43,660	0.27%
Unrealised Loss	0	0.00%
Net Unrealised Gain	43,660	0.27%

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	As on 31.03.2018
Average Net Asset Value	16,099,092
Purchase of Investment	233,316,237
% to average Net Asset Value	1449%
Sale of Investment	168,057,565
% to average Net Asset Value	1044%

8.7 Following are the transaction with Associates & Group companies under the scheme

a) The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2018

Particular	C-TIER II
	Amount (in Rs.)
Investment management fees	1,700

b) Balance with Aditya Birla Sun Life Pension management Ltd

Particular	C-TIER II
	Amount (in Rs.)
Investment Management Fees payable	1,248

8.8 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 confirmation from CRA the number of units as at the year end are 61,94,409

8.9 Unit NAV

Particular	As on 31.03.2018
NAV per unit (Rs)	10.9175

8.10 The scheme has no contingent liability as at the end financial year.

8.11 This being the first year of operations for the scheme, comparative figures for previous year are not given

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

Ghitate
S. M. Chitale
Partner
Membership No. 111583

Place : Mumbai
Date : 28 JUN 2018
For and on behalf of NPS Trust

Adwin Pareek
(Chairman, NPS Board)
Place : Mumbai
Date :

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)

Munish Malik
Munish Malik
(Chief Executive officer)



28 JUN 2018

NAME OF PENSION FUND

SCHEME NAME

MONTH

NPS TRUST A/C - ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - C Tier I

C-Tier I

March '18

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio	Ratings
7.93% POWER GRID CORPORATION MD 20.05.2028	INE752E07K23	Transmission of electric energy	1.00	994,903.00	1.47%	
7.93% POWER GRID CORP MD 20.05.2027	INE752E07K16	Transmission of electric energy	2.00	1,986,888.00	2.94%	
9.18% NPCL 23.01.2026	INE206D08188	Electric power generation and transmission by nuclear power plants	2.00	2,148,770.00	3.18%	
8.85% PFC 15.06.2030	INE134E08D88	Other credit granting	1.00	1,064,159.00	1.57%	
8.15% Bajaj Finance Ltd MD 22/06/2027	INE296A08847	Other financial service activities, except insurance and pension funding activities	2.00	1,956,426.00	2.89%	
9.10% PNBHFL MD 21/12/2022	INE572E09197	Activities of specialized institutions granting credit for house purchases	1.00	1,044,520.00	1.54%	
8% Mahindra Financial Services LTD NCD MD 24/07/2027	INE774D08MK5	Other financial service activities, except insurance and pension funding activities	1,300.00	1,259,411.40	1.86%	
8.70% L&T Infra Finance Co Ltd 24.03.2022	INE691107299	Other monetary intermediation services n.e.c.	1,400.00	1,408,657.60	2.08%	
7.86% LIC Housing Finance MD 17/05/2027	INE115A07L10	Activities of specialized institutions granting credit for house purchases	1.00	989,095.00	1.46%	
9.30% Dewan Housing Finance Ltd 2026 (Secured)	INE202B07H10	Activities of specialized institutions granting credit for house purchases	1,000.00	1,047,631.00	1.55%	
8.30% Power Finance Corporation MD 31/03/2021	INE134E07075	Other credit granting	800.00	859,093.60	1.27%	
9% Mahindra Financial Services LTD NCD (series B) MD 06/06/26	INE774D08MA6	Other financial service activities, except insurance and pension funding activities	160.00	815,359.20	1.21%	
7.93% PGC 20.05.2026	INE752E07K18	Transmission of electric energy	600.00	617,383.20	0.91%	
8.70% PFC 14.05.2025	INE134E08C12	Other credit granting	1.00	993,252.00	1.47%	
7.70% REC 12.12.2027	INE020B08A09	Other credit granting	5.00	5,174,670.00	7.65%	
8.45% SUNDARAM FINANCE 19.01.2028	INE660A08B18	Financial leasing	5.00	4,898,285.00	7.24%	
9.35% REC 15.06.2022	INE020B08740	Other Financial Service Activities, Except Insurance And Pension Funding Activities, N.E.C.	5.00	4,976,255.00	7.36%	
8.85% AXIS BANK 05.12.2024	INE238A08351	Other Financial Service Activities, Except Insurance And Pension Funding Activities, N.E.C.	4.00	4,215,860.00	6.23%	
8.15% EXIM 05.03.2025	INE514E08E18	Other monetary intermediation services n.e.c.	6.00	6,242,496.00	9.23%	
8.20% NABARD 09.03.2028	INE261F08A08	Monetary intermediation of commercial banks, saving banks, postal savings	5.00	5,027,295.00	7.43%	
7.27% IRFC 15.06.2027	INE053F07AB5	Other credit granting	5.00	5,119,380.00	7.57%	
Total			4.00	3,815,212.00	5.64%	
				56,655,002.00	83.77%	

Money Market Instruments:-	Market Value	% of Portfolio	Ratings
- Treasury Bills	-	-	-
- Money Market Mutual Funds	8,740,994.83	12.93%	-
- Certificate of Deposits / Commercial Papers	-	-	-
- Application Pending Allotment	-	-	-
- Bank Fixed Deposits (< 1 Year)	-	-	-
- Cash/ Cash Equivalent & Net Current Assets	67,894.60	0.10%	-
- Other Current Assets (Accrued Interest)	2,122,392.90	3.14%	-
Net Current assets	41,417.07	0.06%	-
GRAND TOTAL	67,627,701.40	100.00%	

Average Maturity of Portfolio (in yrs)	7.99
Modified Duration (in yrs)	5.43
Yield to Maturity (%) (annualised) at market price	8.08%

Securities	Market Value	% of Portfolio	Ratings
Central Govt. Securities			
State Development Loans			
AAA / Equivalent			80.15
A1+ (For Commercial Paper)			
AA+ / Equivalent			3.63
AA / Equivalent			
AA- / Equivalent			
A+ / Equivalent			
A / Equivalent			
A- / Equivalent			
BBB+ / Equivalent			
BBB / Equivalent			



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NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - E Tier I**

Key Statisticks for the year ended March 31, 2018

S. No	Particular	As at March 31,2018
1	NAV per Unit (Rs)	
	Open	10.0000
	High	11.9632
	Low	9.7338
	End	10.9217
2	Closing Assets Under Management (Rs in Lakhs)	
	End	1,164.46
	Average (AAUM)	302.19
3	Gross Income % of AAUM@	1.02%
4	Expense Ratio	
	a.Total Expenses as % of AAUM @	0.03%
	b.Management fees as a % of AAUM	0.01%
5	Net Income as a % of AAUM@	-9.87%
6	Portfolio turnover ratio	0.03
7	Returns (%) * Compounded Annualised Yield	
	Last 1 Year	
	Last 3 years	
	Last 5 years	
	Since Launch of the Scheme	9.22
	Launch Date	09/05/2017
@includes unrealised gain or loss 1 Gross income =amount in the Revenue account i.e income 2 Net income =amount in the revenue account i.e net realised gains/loss for the year /period 3 Portfolio turnover = Lower of sales or purchase divided by the average AUM for the year / period. 4 AAUM = Average daily net assets 5 NAV= (Market value of investments held by scheme + Value of current assets -value of current liability and provisions, if any)/no. of units at the valuation date (before creation / redemption of units)		



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 – Aditya Birla Sun Life Pension Management Limited - Scheme C Tier II under the National Pension System Trust (NPS Trust) managed by Aditya Birla Sun Life Pension Management Limited which comprise of the Balance Sheet as at March 31, 2018, the Revenue Account for the period 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 (Pension Fund) Regulations, 2015 (as amended), 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 standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility includes the design, implementation and maintenance of internal control 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 Aditya Birla Sun Life Pension Management Limited.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant

to the PFM's preparation and fair presentation of the financial statements 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 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;
- (b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date;

Report on Other Legal and Regulatory Requirements

- 7 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, we report that:
- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books.



- d) In our opinion, all transactions expenses in excess of the limits contractually agreed to / approved by the PFRDA are borne by the PFM (if any) and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts), 2014 to the extent made applicable by PFRDA (Pension Fund) Regulations, 2015 (as amended)
- 8 We further certify that:
- a) Investments have been valued by Stock Holding Corporation of India Ltd (SHCIL) in accordance with the guidelines issued by PFRDA and Aditya Birla Sun Life Pension Management Limited has placed reliance on the valuation prices as provided by SHCIL as explained in Note 7.3 of the Financial Statements.
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W



(S. M. Chitale)
Partner
M No.: 111383

Place : Mumbai

Date: **28 JUN 2018**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - C- Tier II
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at March 31,2018
Liabilities		
Unit Capital	1	8,598,646
Reserve & Surplus	2	556,659
Current Liabilities	3	62,264
Total		9,217,569
Assets		
Investment	4	8,815,258
Other Current Assets	5	402,311
Total		9,217,569
(a) Net asset as per Balance Sheet (Schedule 4+5-3)		9,155,305
(b) number of units outstanding		859,865

Significant accounting policies and notes to accounts

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Shitale

S. M. Chitale
Partner

Membership No. 111383



For Aditya Birla Sun Life Pension Management Limited

Sashi
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman , NPS Board)

Place : Mumbai

Date :

28 JUN 2018



Munish Malik
Munish Malik

(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - C- Tier II
REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2018

Particulars	Note	Period ended March 31, 2018 ₹
Income		
Dividend		-
Interest		2,15,482
Profit on sale of inter-scheme transfer/ Sale of investments	6	26,195
Unrealised gain on valuation in investments		774
Total Income (A)		2,42,451
Expenses & Losses		
Unrealised losses in value of investments		37,751
Loss on sale/redemption of investments		23
Management fees (including service tax)		347
Trustship fees		309
Custodian fees		95
Depository and settlement charges		353
CRA fees		1,878
Less: Amount recoverable by sale of units on account of CRA Charges		-1,878
Total Expenditure (B)		38,878
Surplus/(Deficit) for the year (A-B = C)		2,03,573
Less: Amount transferred to Unrealised appreciation account		-36,977.09
Less: Amount transferred to General Reserve		2,40,550
Amount carried forward to Balance Sheet		-
Significant accounting policies and notes to accounts	7 & 8	

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Chitale

S. M. Chitale
Partner

Membership No. 111383



For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman, NPS Board)

Place : Mumbai

Date :

28 JUN 2018



Munish Malik
Munish Malik

(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C-ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - C Tier II
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31 2018

Note 1: Unit capital As at March 31, 2018

Unit Capital	
Outstanding at the beginning of the period	-
Add :Units issued during the period	15,751,878
Less: Units redeemed during the period	(7,153,232)
Outstanding at the end of the period	8,598,646

(Face Value of Rs.10/- each unit, fully paid up)

Outstanding units at the beginning of the period	-
Add :Units issued during the period	1,575,188
Less: Units redeemed during the period	(715,323)
Outstanding Units at the end of the period	859,865

Note 2: Reserves and surplus As at March 31, 2018

Unit premium reserve	
Opening balance	-
Add: Premium on Units issued	639,574
Less: Premium on Units redeemed	(286,488)
Closing balance	353,086
General Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	240,550
Closing balance	240,550
Unrealised Appreciation Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	(36,977)
Closing balance	(36,977)
Total	556,659

Note 3: Current liabilities and provisions As at March 31, 2018

Redemption Payable	61,447
Sundry creditors for expenses	
NPS charges payable	169
Management fees payable	200
Custody charges payable	95
Transaction Charges Payable	353
Total	62,264

Note 4: Investments As at March 31, 2018

Debentures and Bonds Listed/Awaited Listed"	8,251,485
Mutual Fund Units	563,773
Total	8,815,258

Note 5: Other current assets As at March 31, 2018

Balances with banks in current account	62,646
Income accrue and Due	
Interest Receivable on NCD	16,600
Income accrue but not Due	
Interest Receivable but Not Due on NCD	323,065
Total	402,311

Note 6: Realised Gain on Sale/redemption of investment For the period ended March 31, 2018

Profit on sale of Mutual fund scheme Units	26,195
Total	26,195

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 10665SW

S. M. Chitale

Partner

Membership No. 111383

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan

(CEO)

S.C.Bhargava

(Director)

Place : Mumbai

Date :

For and on behalf of NPS Trust

(Chairman, NPS Board)

Place : Mumbai

Date :

Munish Malik

(Chief Executive officer)

28 JUN 2018

- 8.1 All investments of the scheme are in the name of the NPS trust .
8.2 At the end of the financial year , there are no open positions of derivatives in the scheme
8.3 The Schemes investments made in associates and Group companies as on Mar 31, 2018

Security particulars	no of shares/bonds	As on 31.03.2018	
		Cost	Market Value
Nil	Nil	Nil	Nil

- 8.4 As on the date of Balance sheet , the scheme does not have any investments which can be categorized as NPA

- 8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2018	
	Amount (in Rs.)	% to AAUM
Unrealised Gain	774	0.02%
Unrealised Loss	37,751	1.10%
Net Unrealised Loss	36,977	1.08%

- 8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	As on 31.03.2018
Average Net Asset Value	3,433,503
Purchase of Investment	42,029,535
% to average Net Asset Value	1224%
Sale of Investment	33,203,472
% to average Net Asset Value	967%

- 8.8 Following are the transaction with Associates & Group companies under the scheme

- a) The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2018

Particular	C-TIER II
	31.03.2018
Investment management fees	347

Balance with Aditya Birla Sun life Pension management Ltd

Particular	C-TIER II
	31.03.2018
Investment Management Fees payable	200

- 8.8 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 Based on confirmation from CRA the number of units as at the year end are 8,59,865

- 8.9 Unit NAV

Particular	As on 31.03.2018
NAV per unit (Rs)	10.6474

- 8.10 The scheme has no contingent liability as at the end financial year.
8.11 This being the first year of operations for the scheme, comparative figures for previous year are not given

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

S. M. Chitale
Partner
Membership No. 111393

Place : Mumbai
Date : 28 JUN 2018

For and on behalf of NPS Trust

Ashwin Pareek
(Chairman , NPS Board)
Place : Mumbai
Date :

28 JUN 2018

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
(CEO)

S.C.Bhargava
(Director)

Munish Malik
(Chief Executive officer)

NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME C TIER II

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of 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 Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.



NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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 maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.



As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

(vi) Debt Securities other than Government Securities

- Debt securities other than Government securities with a residual maturity over 60 days are valued at weighted average traded price on that day. When such securities are not traded on a particular day, they are valued on a yield to maturity basis, by using spreads over risk free benchmark yield obtained from agencies entrusted for the said purpose, by association of mutual fund in India (AMFI) to arrive at the yield for pricing the security.
- Debt securities other than Government securities with a residual maturity upto 60 days are valued at weighted average traded price on that day. When such securities are not traded on a particular 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. In case of floating rate securities with floors and caps on coupon rate and residual maturity of upto 60 days, then those shall be valued on amortisation basis, taking the coupon rate as floor.

(vii) Valuation of securities having call and/or Put options:

- Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.
- For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.

(viii) Valuation of Partly Paid up Bonds

Partly paid bonds will be valued on the paid up value of the bonds till it is fully paid.

(ix) Valuation of debt securities below Investment grade of BBB-

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)



(x) Valuation of Money Market Investment and Mutual Fund

Money market instruments like treasury bills, commercial paper, and certificate of deposit are valued at amortised cost. If they are traded, then they are valued at the last traded price on NSE.

Mutual fund units are valued based on the net asset value of the preceding day of the valuation date

7.4 Income Recognition

- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date up to the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date up to the date of sale credited to Interest Recoverable Account and not included in sale value.
- Accretion of discount and amortisation of premium relating to debt securities like Zero Coupon Bond and Money Market Investment are recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of debt securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company has started charging investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from May 05, 2017, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.



7.7 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from May 05, 2017 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.



7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



NAME OF PENSION FUND
SCHEME NAME
MONTH

NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - C Tier LI
C-TIER II
March '18

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio	Ratings
7.93% PGC 20.05.2026	INE752E07KX8	Transmission of electric energy	1.00	993,252.00	10.85%	
7.70% REC 12.12.2027	INE020B08AQ9	Other credit granting	1.00	979,657.00	10.70%	
8% Mahindra Financial Services LTD NCD MD 24/07/2027	INE774D08MK5	Other financial service activities, except insurance and pension funding activities	900.00	871,900.20	9.52%	
9.25% EXIM 18.04.2022	INE514E08AV5	Other Financial Service Activities, Except Insurance And Pension Funding Activities, N.E.C.	1.00	1,050,904.00	11.48%	
8.70% L&T Infra Finance Co Ltd 24.03.2022	INE691I07299	Other monetary intermediation services n.e.c.	200.00	201,236.80	2.20%	
Indiabull Housing Finance (series VI A) NCD 8.85% 26/09/2026	INE148I07GK5	Activities of specialized institutions granting credit for house purchases	400.00	419,052.40	4.58%	
8.15% EXIM 05.03.2025	INE514E08EL8	Other monetary intermediation services n.e.c.	1.00	1,005,459.00	10.98%	
8.80% IRFC BOND 03/02/2030	INE053F09GR4	Other financial service activities, except insurance and pension funding activities	1.00	1,072,761.00	11.72%	
9.30% Dewan Housing Finance Ltd 2026 (Secured)	INE202B07HV0	Activities of specialized institutions granting credit for house purchases	400.00	429,546.80	4.69%	
8.20% NABARD 09.03.2028	INE261F08AD8	Monetary intermediation of commercial banks, saving banks, postal savings	1.00	1,023,876.00	11.18%	
8.30% Power Finance Corporation MD 31/03/2021	INE134E07075	Other credit granting	40.00	203,839.80	2.23%	
Total				8,251,485.00	90.13%	

Money Market Instruments:-	Market Value	% of Portfolio	Ratings
- Treasury Bills	Nil	-	-
- Money Market Mutual Funds			
- Certificate of Deposits / Commercial Papers	563,773.01	6.16%	
- Application Pending Allotment	Nil	-	-
- Bank Fixed Deposits (< 1 Year)	Nil	-	-
- Cash/ Cash Equivalent & Net Current Assets	62,646.34	0.68%	
- Other Current Assets (Accrued Interest)	323,064.39	3.53%	
Net Current Assets	(45,663.86)	-0.50%	
GRAND TOTAL	9,155,304.88	100.00%	

Average Maturity of Portfolio (in yrs)	8.29
Modified Duration (in yrs)	5.58
Yield to Maturity (%) (annualised) at market price	8.03%

CREDIT RATING EXPOSURE			
Securities	Market Value	% of Portfolio	Ratings
Central Govt. Securities			
State Development Loans			
AAA / Equivalent	8,050,248.20	87.93	
A1+ (For Commercial Paper)			
AA+ / Equivalent	201,236.80	2.20	
AA / Equivalent			
AA- / Equivalent			
A+ / Equivalent			
A / Equivalent			
A- / Equivalent			
BBB+ / Equivalent			
BBB / Equivalent			



NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - C Tier II

Key Statistics for the year ended March 31, 2018

S. No	Particular	As at March 31,2018
1	NAV per Unit (Rs)	
	Open	10.0000
	High	10.6474
	Low	9.9921
	End	10.6474
2	Closing Assets Under Management (Rs in Lakhs)	
	End	91.55
	Average (AAUM)	34.34
3	Gross Income % of AAUM@	7.06%
4	Expense Ratio	
	a.Total Expenses as % of AAUM @	0.03%
	b.Management fees as a % of AAUM	0.01%
5	Net Income as a % of AAUM@	5.93%
6	Portfolio turnover ratio	2.48
7	Returns (%) * Compounded Annualised Yield	
	Last 1 Year	
	Last 3 years	
	Last 5 years	
	Since Launch of the Scheme	6.47
	Launch Date	09/05/2017
@includes unrealised gain or loss 1 Gross income =amount in the Revenue account i.e income Net income =amount in the revenue account i.e net realised gains/loss for the year /period 2 3 Portfolio turnover = Lower of sales or purchase divided by the average AUM for the year / period. 4 AAUM = Average daily net assets 5 NAV= (Market value of investments held by scheme + Value of current assets -value of current liability and provisions, if any)/no. of units at the valuation date (before creation / redemption of units)		



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 – Aditya Birla Sun Life Pension Management Limited - Scheme G Tier I under the National Pension System Trust (NPS Trust) managed by Aditya Birla Sun Life Pension Management Limited which comprise of the Balance Sheet as at March 31, 2018, the Revenue Account for the period 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 (Pension Fund) Regulations, 2015 (as amended), 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 standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility includes the design, implementation and maintenance of internal control 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 Aditya Birla Sun Life Pension Management Limited.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the PFM's preparation and fair presentation of the financial statements 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 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;
 - (b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date;

Report on Other Legal and Regulatory Requirements

- 7 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, we report that:
- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
 - b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme.
 - c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books.



- d) In our opinion, all transactions expenses in excess of the limits contractually agreed to / approved by the PFRDA are borne by the PFM (if any) and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts), 2014 to the extent made applicable by PFRDA (Pension Fund) Regulations, 2015 (as amended)
- 8 We further certify that:
- a) Investments have been valued by Stock Holding Corporation of India Ltd (SHCIL) in accordance with the guidelines issued by PFRDA and Aditya Birla Sun Life Pension Management Limited has placed reliance on the valuation prices as provided by SHCIL as explained in Note 7.3 of the Financial Statements.
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W



(S. M. Chitale)
Partner
M No.: 111383

Place : Mumbai
Date:

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G Tier I
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at March 31, 2018
Liabilities		
Unit Capital	1	71,833,565
Reserve & Surplus	2	3,039,694
Current Liabilities	3	27,422
Total		74,900,681
Assets		
Investment	4	73,662,719
Other Current Assets	5	1,237,962
Total		74,900,681
(a) Net asset as per Balance Sheet (Schedule 4+5-3)		74,873,259
(b) number of units outstanding		7,183,357

Significant accounting policies and notes to accounts

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Shitale

S. M. Chitale

Partner

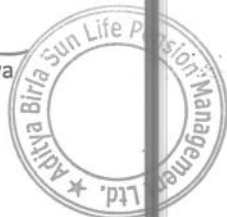
Membership No. 111383



For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman, NPS Board)

Place : Mumbai

Date :

28 JUN 2018



Munish Malik
Munish Malik
(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G- Tier I
REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2018

Particulars	Note	Period ended March 31,2018 ₹
Income		
Dividend		-
Interest		10,19,433
Profit on sale/redemption of investments	6	77,456
Unrealised gain on appreciation in investments		20,710
Total Income (A)		11,17,599
Expenses & Losses		
Unrealised losses in value of investments		1,28,882
Management fees (including service tax)		1,767
NPS Trust fees		1,496
Custodian fees		518
Depository and settlement charges		1,287
CRA fees		37,036
Less: Amount recoverable by sale of units on account of CRA Charges		-37,036
Total Expenditure (B)		1,33,950
Surplus/(Deficit) for the period (A-B = C)		9,83,648
Less: Amount transferred to Unrealised appreciation account		-1,08,172
Less: Amount transferred to General Reserve		10,91,820
Amount carried forward to Balance Sheet		-

Significant accounting policies and notes to accounts

7 & 8

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Chitale

S. M. Chitale

Partner

Partner

Membership No. 111383



For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Ashwin Parekh

(Chairman, NPS Board)

Place : Mumbai

Date :



Munish Malik
Munish Malik

(Chief Executive officer)

28 JUN 2018

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C - ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G Tier I
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31 2018

Note 1: Unit capital	As at March 31, 2018
Unit Capital	
Outstanding at the beginning of the period	-
Add :Units issued during the period	111361391
Less: Units redeemed during the period	(39,527,825)
Outstanding at the end of the period	<u>71,833,565</u>

(Face Value of Rs.10/- each unit, fully paid up)	
Outstanding units at the beginning of the period	-
Add :Units issued during the period	11,136,139
Less: Units redeemed during the period	(3,952,784)
Outstanding Units at the end of the period	<u>7,183,357</u>

Note 2: Reserves and surplus	As at March 31, 2018
Unit premium reserve	
Opening balance	-
Add: Premium on Units issued	3,064,827
Less: Premium on Units redeemed	(1,008,781)
Closing balance	<u>2,056,046</u>
General Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	1,091,820
Closing balance	<u>1,091,820</u>
Unrealised Appreciation Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	(108,172)
Closing balance	<u>(108,172)</u>
Total	<u>3,039,694</u>

Note 3: Current liabilities and provisions	As at March 31, 2018
Redemption Payable	23,597
Sundry creditors for expenses	
NPS charges payable	1,084
Management fees payable	1,279
Custody charges payable	518
Other payable (CCIL)	944
Total	<u>27,422</u>

Note 4: Investments	As at March 31, 2018
Investment Central Government Securities	65,375,362
Investment SDLC	5,376,363
Mutual Fund Units	2,910,995
Total	<u>73,662,719</u>

Note 5: Other current assets	As at March 31, 2018
Balances with banks in current account	25,179
Service tax asset	144
Income accrue but not Due	
Interest Accrued Not Due-CGS	1,165,336
Interest Accrued Not Due-SDL	47,303
Total	<u>1,237,962</u>

Note 6: Realised Gain on Sale/redemption of Investment	For the period ended March 31, 2018
	-

Profit on sale of Mutual fund scheme Units	77,456
Total	<u>77,456</u>

Significant accounting policies and notes to accounts

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

S. M. Chitale
Partner
Membership No. 111383

Place : Mumbai
Date : 28 JUN 2018
For and on behalf of NPS Trust
Himanshu Kaulan
(Chairman, NPS Board)
Place : Mumbai
Date :

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
(CEO)

S.C. Bhargava
(Director)

Munish Malik
(Chief Executive officer)



28 JUN 2018

**NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) -
SCHEME G TIER I**

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of 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 Pvt. Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt. Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.



NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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 maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

The financials have been prepared for SCHEME G TIER I being managed by the Company.

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.
- (v) **Valuation of Investments**

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the



Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

(vi) Securities traded at a stock exchange:

- Central Government, State Government securities are valued at the aggregated prices received from independent valuation agencies CRISIL & ICRA on the particular valuation day.
- Treasury bills are valued at the aggregated prices received from independent valuation agencies CRISIL & ICRA on the particular valuation day.
- Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

7.4 Income Recognition

- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.
- Accretion of discount relating to Treasury bills is recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of Government securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.
- Other income of a miscellaneous nature is accounted for as and when realised

7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.



The Company has started charging investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from May 05, 2017, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from May 05, 2017 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due. Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.



7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G Tier I
NOTE 8 Notes to Accounts

8.1 All investments of the scheme are in the name of the NPS trust .

8.2 At the end of the financial year , there are no open positions of derivatives in the scheme

8.3 The Schemes investments made in associates and Group companies as on Mar 31, 2018

Security particulars	no of shares/bonds	As on 31.03.2018	
		Cost	Market Value
Nil	Nil	Nil	Nil

8.4 As on the date of Balance sheet , the scheme does not have any investments which can be categorized as NPA

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2018	
	Amount (in Rs.)	% to AAUM
Unrealised Gain	20,710	0.12%
Unrealised Loss	128,882	0.77%
Net Unrealised Loss	108,172	0.65%

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	As on 31.03.2018
Average Net Asset Value	16,741,772
Purchase of Investment	246,284,378
% to average Net Asset Value	1471%
Sale of Investment	172,590,456
% to average Net Asset Value	1031%

8.7 Following are the transaction with Associates & Group companies under the scheme

a) The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2018

Particular	G-Tier I
	31.03.2018
Investment management fees	1,767

b) Balance with Aditya Birla Sun life Pension management Ltd

Particular	G-Tier I
	31.03.2018
Investment Management Fees payable	1,279

8.8 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 confirmation from CRA the number of units as at the year end are 71,83,357

8.9 Unit NAV

Particular	As on 31.03.2018
NAV per unit (Rs)	10.4232

8.10 The scheme has no contingent liability as at the end financial year.

8.11 This being the first year of operations for the scheme, comparative figures for previous year are not given

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

S. M. Chitale
Partner
Membership No. 111388

Place : Mumbai
Date : 28 JUN 2018
For and on behalf of NPS Trust

Ashwin Pareek
(Chairman , NPS Board)
Place : Mumbai
Date : 28 JUN 2018

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
(CEO)

S.C.Bhargava
(Director)

Munish Malik
(Chief Executive officer)

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio	Ratings
7.59% GOI 20.03.2029	IN0020150069	central government securities	103,000.00	10,238,200.00	13.67%	
8.15% GSEC 24.11.2026	IN0020140060	central government securities	108,000.00	11,134,800.00	14.87%	
9.15% GOI 14.11.2024	IN0020110048	central government securities	30,000.00	3,228,549.00	4.31%	
6.30% GOI 09.04.2023	IN0020030014	central government securities	34,400.00	3,289,238.56	4.39%	
8.28% GOI 21.09.2027	IN0020070069	central government securities	77,000.00	7,993,508.60	10.68%	
7.88% GOI 19.03.2030	IN0020150028	central government securities	46,000.00	4,657,500.00	6.22%	
7.61% GSEC 09.05.2030	IN0020160019	central government securities	78,000.00	7,773,885.60	10.38%	
8.26% Government of India 02.08.2027	IN0020070036	central government securities	50,000.00	5,185,410.00	6.93%	
6.79% GSEC (15/MAY/2027) 2027	IN0020170026	central government securities	56,000.00	5,321,680.00	7.11%	
8.69% Tamil Nadu SDL 24.02.2026	IN3120150203	State Development Loans	10,500.00	1,098,195.00	1.47%	
7.73% GS MD 19/12/2034	IN0020150051	central government securities	22,200.00	2,226,660.00	2.97%	
6.79% GS 26.12.2029	IN0020160118	central government securities	5,300.00	504,136.00	0.67%	
6.57% GOI 2033 (MD 05/12/2033)	IN0020160100	central government securities	42,300.00	3,821,805.00	5.10%	
8.00% Karnataka SDL 2028 (17-JAN-2028)	IN1920170157	State Development Loans	20,000.00	2,017,266.00	2.69%	
8.13 % KERALA SDL 21.03.2028	IN2020170147	State Development Loans	22,300.00	2,260,990.31	3.02%	
Total				70,751,824.07	94.50%	

Money Market Instruments:-	Market Value	% of Portfolio	Ratings
- Treasury Bills	Nil	-	
- Money Market Mutual Funds	2,910,994.84	3.89%	
- Certificate of Deposits / Commercial Papers	Nil	-	
- Application Pending Allotment	Nil	-	
- Bank Fixed Deposits (< 1 Year)	Nil	-	
- Cash/ Cash Equivalent & Net Current Assets	25,178.71	0.03%	
- Other Current Assets (Accrued Interest)	1,212,638.56	1.62%	
Net Current Assets	(27,376.40)	-0.04%	
GRAND TOTAL	74,873,259.78	100.00%	

Average Maturity of Portfolio (in yrs)	10.23
Modified Duration (in yrs)	6.78
Yield to Maturity (%) (annualised) at market price	7.66%



NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G Tier I

Key Statistics for the year ended March 31, 2018

S. No	Particular	As at March 31,2018
1	NAV per Unit (Rs)	
	Open	10.0000
	High	10.6009
	Low	10.0000
	End	10.4232
2	Closing Assets Under Management (Rs in Lakhs)	
	End	748.73
	Average (AAUM)	167.42
3	Gross Income % of AAUM@	6.68%
4	Expense Ratio	
	a.Total Expenses as % of AAUM @	0.03%
	b.Management fees as a % of AAUM	0.01%
5	Net Income as a % of AAUM@	5.88%
6	Portfolio turnover ratio	4.31
7	Returns (%) * Compounded Annualised Yield	
	Last 1 Year	
	Last 3 years	
	Last 5 years	
	Since Launch of the Scheme	4.23
	Launch Date	09/05/2017
@includes unrealised gain or loss 1 Gross income =amount in the Revenue account i.e income 2 Net income =amount in the revenue account i.e net realised gains/loss for the year /period 3 Portfolio turnover = Lower of sales or purchase divided by the average AUM for the year / period. 4 AAUM = Average daily net assets 5 NAV= (Market value of investments held by scheme + Value of current assets -value of current liability and provisions, if any)/no. of units at the valuation date (before creation / redemption of units)		



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 – Aditya Birla Sun Life Pension Management Limited - Scheme G Tier II under the National Pension System Trust (NPS Trust) managed by Aditya Birla Sun Life Pension Management Limited which comprise of the Balance Sheet as at March 31, 2018, the Revenue Account for the period 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 (Pension Fund) Regulations, 2015 (as amended), 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 standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility includes the design, implementation and maintenance of internal control 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 Aditya Birla Sun Life Pension Management Limited.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the PFM's preparation and fair presentation of the financial statements 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 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;
- (b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date;

Report on Other Legal and Regulatory Requirements

- 7 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, we report that:
- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books.



- d) In our opinion, all transactions expenses in excess of the limits contractually agreed to / approved by the PFRDA are borne by the PFM (if any) and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts), 2014 to the extent made applicable by PFRDA (Pension Fund) Regulations, 2015 (as amended)
- 8 We further certify that:
- a) Investments have been valued by Stock Holding Corporation of India Ltd (SHCIL) in accordance with the guidelines issued by PFRDA and Aditya Birla Sun Life Pension Management Limited has placed reliance on the valuation prices as provided by SHCIL as explained in Note 7.3 of the Financial Statements.
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W



(S. M. Chitale)
Partner
M No.: 111383

Place : Mumbai

Date: **28 JUN 2018**

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G Tier II
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at March 31,2018
Liabilities		
Unit Capital	1	9,274,924
Reserve & Surplus	2	65,720.00
Current Liabilities	3	73,455
Total		<u>9,414,099</u>
Assets		
Investment	4	9,173,904
Other Current Assets	5	240,195
Total		<u>9,414,099</u>
(a) Net asset as per Balance Sheet (Schedule 4+5-3)		9,340,644
(b) number of units outstanding		927,492

Significant accounting policies and notes to accounts

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

S. M. Chitale

S. M. Chitale

Partner

Membership No. 111383



Sashi Krishnan
Sashi Krishnan
(CEO)

For Aditya Birla Sun Life Pension Management Limited

S. C. Bhargava
S. C. Bhargava
(Director)



Place : Mumbai

Date : **28 JUN 2018**

For and on behalf of NPS Trust

Amin Pareek
Amin Pareek
(Chairman, NPS Board)



Place : Mumbai

Date : **28 JUN 2018**

Munish Malik
Munish Malik
(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G- Tier II
REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2018

Particulars	Note	Period ended March 31,2018 ₹
Income		
Dividend		-
Interest		2,04,074
Profit on sale/redemption of investments	6	16,886
Unrealised gain on appreciation in investments		405
Total Income (A)		2,21,365
Expenses & Losses		
Unrealised losses in value of investments		1,68,762
Loss on sale/redemption of investments		2,262
Management fees (including service tax)		364
NPS Trust fees		308
Custodian fees		108
Depository and settlement charges		823
CRA fees		2,267
Less: Amount recoverable by sale of units on account of CRA Charges		-2,267
Total Expenditure (B)		1,72,627
Surplus/(Deficit) for the period (A-B = C)		48,739
Less: Amount transferred to Unrealised appreciation account		-1,68,357
Less: Amount transferred to General Reserve		2,17,096
Amount carried forward to Balance Sheet		-

Significant accounting policies and notes to accounts

7 & 8

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Chitale

S. M. Chitale

Partner

Membership No. 111383



For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnar
Sashi Krishnar
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Place : Mumbai

Date : 28 JUN 2018

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman, NPS Board)

Place : Mumbai

Date :

28 JUN 2018



Munish Malik
Munish Malik

(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C - ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G Tier II
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31 2018

Note 1: Unit capital As at March 31, 2018

Unit Capital

Outstanding at the beginning of the period	-
Add :Units issued during the period	17,049,003
Less: Units redeemed during the period	(7,774,079)
Outstanding at the end of the period	<u>9,274,924</u>

(Face Value of Rs.10/- each unit, fully paid up)

Outstanding units at the beginning of the period	-
Add :Units issued during the period	1,704,900
Less: Units redeemed during the period	(777,408)
Outstanding Units at the end of the period	<u>927,492</u>

Note 2: Reserves and surplus As at March 31, 2018

Unit premium reserve	
Opening balance	-
Add: Premium on Units issued	208,284
Less: Premium on Units redeemed	(191,303)
Closing balance	<u>16,981</u>
General Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	217,096
Closing balance	<u>217,096</u>
Unrealised Appreciation Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	(168,357)
Closing balance	<u>(168,357)</u>
Total	<u>65,720.00</u>

Note 3: Current liabilities and provisions As at March 31, 2018

Redemption Payable	72,971
Sundry creditors for expenses	
NPS charges payable	168
Management fees payable	198
Custody charges payable	108
Other Receivable	10
Total	<u>73,455</u>

Note 4: Investments As at March 31, 2018

Investment Central Government Securities	8,319,853
Investment SDLC	558,646
Mutual Fund Units	295,405
Total	<u>9,173,904</u>

Note 5: Other current assets As at March 31, 2018

Balances with banks in current account	73,694
Service tax asset	105
Income accrue but not Due	
Interest Accrued Not Due-CGS	162,841
Interest Accrued Not Due-SDL	3,555
Total	<u>240,195</u>

Note 6: Realised Gain on Sale/redemption of investment

For the period ended
March 31, 2018

Profit on sale of Mutual fund scheme Units	16,886
Total	<u>16,886</u>

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Ghale

S. M. Chitale

Partner

Membership No. 121388

Place : Mumbai

Date :

For and on behalf of NPS Trust

Munish Malik

(Chairman, NPS Board)

Place : Mumbai

Date :

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
(CEO)

S.C.Bhargava
(Director)

Munish Malik

(Chief Executive officer)



28 JUN 2018

NPS TRUSTADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME G TIER II

Note 7

Significant accounting policies & notes to Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / "Authority") guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of 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 Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.



NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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 maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

The financials have been prepared for SCHEME G TIER II being managed by the Company.

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.
- (v) **Valuation of Investments**

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the



Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

(vi) Securities traded at a stock exchange:

- Central Government, State Government securities are valued at the aggregated prices received from independent valuation agencies CRISIL & ICRA on the particular valuation day.
- Treasury bills are valued at the aggregated prices received from independent valuation agencies CRISIL & ICRA on the particular valuation day.
- Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

(vii) The Valuation policy of the scheme as advised by SHCIL, is at variance with PFRDA guidelines. The details of the variation are as under.

PFRDA Guidelines	Valuation Policy
1. Securities traded at a stock exchange: Debt securities (other than government Securities) are valued at the last quoted closing price on the Principal exchange on which the security is traded.	Debt Security (other than government securities) are valued at the NSE weighted average traded price on that day.
2. Securities not traded at stock exchange : When a debt security (other than government security) is not traded on any stock exchange on a particular valuation date, the value at which was traded on any other stock exchange on the earliest	a. With residual maturity over 60 days are values on a yield to maturity basis, based on average of spreads provided by CRISIL and ICRA. b. With residual maturity upto 60 days are valued at last traded price plus difference between the redemption value and last traded price, spread uniformly over maturity period of the instrument.



previous day is used, provided that such day is not more than 15 days.	
3. Valuation of G-sec YTM based on prevailing market prices.	Government securities are valued at average price provided by SHCIL (CRISIL and ICRA).

7.5 Income Recognition

- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.
- Accretion of discount relating to Treasury bills is recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of Government securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.
- Other income of a miscellaneous nature is accounted for as and when realised

7.6 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.7 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company has started charging investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from May 05, 2017, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.



7.8 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from May 05, 2017 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015.

7.9 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.10 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.11 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due. Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

7.12 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.13 Income Taxes

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.



7.14 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



8.1 All investments of the scheme are in the name of the NPS trust.

8.2 At the end of the financial year, there are no open positions of derivatives in the scheme

8.3 The Schemes investments made in associates and Group companies as on Mar 31, 2018

Security particulars	no of shares/bonds	As on 31.03.2018	
		Cost	Market Value
Nil	Nil	Nil	Nil

8.4 As on the date of Balance sheet, the scheme does not have any investments which can be categorized as NPA

8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2018	
	Amount (in Rs.)	% to AAUM
Unrealised Gain	405	0.01%
Unrealised Loss	168,762	4.92%
Net Unrealised Loss	168,357	4.91%

8.6 Aggregate value of purchase and sale with percentage to average assets

Particular	As on 31.03.2018
Average Net Asset Value	3,431,132
Purchase of Investment	38,974,260
% to average Net Asset Value	1136%
Sale of Investment	29,646,401
% to average Net Asset Value	864%

8.7 Following are the transaction with Associates & Group companies under the scheme

a) The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2018

Particular	G-Tier I
	31.03.2018
Investment management fees	364

b) Balance with Aditya Birla Sun life Pension management Ltd

Particular	G-Tier I
	31.03.2018
Investment Management Fees payable	198

8.8 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 confirmation from CRA the number of units as at the year end are 9,27,492

8.9 Unit NAV

Particular	As on 31.03.2018
NAV per unit (Rs)	10.071

8.10 The scheme has no contingent liability as at the end financial year.

8.11 This being the first year of operations for the scheme, comparative figures for previous year are not given

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

S. M. Chitale
Partner
Membership No. 111889

Place : Mumbai
Date :
For and on behalf of NPS Trust

(Chairman, NPS Board)
Place : Mumbai
Date :

For Aditya Birla Sun Life Pension Management Limited

Sashi Krishnan
(CEO)

S.C.Bhargava
(Director)

Munish Malik

(Chief Executive officer)

28 JUN 2018



Portfolio Statement for the year ended March 31, 2018

NAME OF PENSION FUND
SCHEME NAME
MONTH
NPS TRUST A/C-ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G Tier II
G-TIER II
March '18

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio	Ratings
7.88% GOI 19.03.2030	IN0020150028	central government securities	4,000.00	405,000.00	4.34%	
8.69% Tamil Nadu SDL 24.02.2026	IN3120150203	State Development Loans	3,500.00	366,065.00	3.92%	
8.28% GOI 15.02.2032	IN0020060086	central government securities	7,000.00	734,469.40	7.86%	
8.13 % KERALA SDL 21.03.2028	IN2020170147	State Development Loans	1,900.00	192,640.43	2.06%	
8.15% GSEC 24.11.2026	IN0020140060	central government securities	7,000.00	721,700.00	7.73%	
8.28% GOI 21.09.2027	IN0020070069	central government securities	13,000.00	1,349,553.40	14.45%	
7.61% GSEC 09.05.2030	IN0020160019	central government securities	13,500.00	1,345,480.20	14.40%	
6.79% GSEC (15/MAY/2027) 2027	IN0020170026	central government securities	12,000.00	1,140,360.00	12.21%	
7.73% GS MD 19/12/2034	IN0020150051	central government securities	9,400.00	942,820.00	10.09%	
6.57% GOI 2033 (MD 05/12/2033)	IN0020160100	central government securities	18,600.00	1,680,510.00	17.99%	
Total				8,878,598.43	95.05%	

Money Market Instruments:-	Market Value	% of Portfolio	Ratings
- Treasury Bills	Nil	-	
- Money Market Mutual Funds	295,405.30	3.16%	
- Certificate of Deposits / Commercial Papers	Nil	-	
- Application Pending Allotment	Nil	-	
- Bank Fixed Deposits (< 1 Year)	Nil	-	
- Cash/ Cash Equivalent	Nil	-	
- Other Current Assets (Accrued Interest)	73,693.88	0.79%	
Net Current Assets	166,396.04	1.78%	
	(73,449.42)	-0.79%	
GRAND TOTAL	9,340,644.23	100.00%	

Average Maturity of Portfolio (in yrs)	12.14
Modified Duration (in yrs)	7.57
Yield to Maturity (%) (annualised)(at market price)	7.67%



NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - G Tier II

Key Statistics for the year ended March 31, 2018

S. No	Particular	As at March 31,2018
1	NAV per Unit (Rs)	
	Open	10.0000
	High	10.3103
	Low	9.7455
	End	10.0710
2	Closing Assets Under Management (Rs in Lakhs)	
	End	93.41
	Average (AAUM)	34.31
3	Gross Income % of AAUM@	6.45%
4	Expense Ratio	
	a.Total Expenses as % of AAUM @	0.05%
	b.Management fees as a % of AAUM	0.01%
5	Net Income as a % of AAUM@	1.42%
6	Portfolio turnover ratio	0.06
7	Returns (%) * Compounded Annualised Yield	
	Last 1 Year	
	Last 3 years	
	Last 5 years	
	Since Launch of the Scheme	0.71
	Launch Date	09/05/2017
@includes unrealised gain or loss 1 Gross income =amount in the Revenue account i.e income 2 Net income =amount in the revenue account i.e net realised gains/loss for the year /period 3 Portfolio turnover = Lower of sales or purchase divided by the average AUM for the year / period. 4 AAUM = Average daily net assets 5 NAV= (Market value of investments held by scheme + Value of current assets -value of current liability and provisions, if any)/no. of units at the valuation date (before creation / redemption of units)		



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 – Aditya Birla Sun Life Pension Management Limited - Scheme A Tier I under the National Pension System Trust (NPS Trust) managed by Aditya Birla Sun Life Pension Management Limited which comprise of the Balance Sheet as at March 31, 2018, the Revenue Account for the period 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 (Pension Fund) Regulations, 2015 (as amended), 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 standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility includes the design, implementation and maintenance of internal control 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 Aditya Birla Sun Life Pension Management Limited.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant

to the PFM's preparation and fair presentation of the financial statements 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

- 6 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 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;
- (b) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date;

Report on Other Legal and Regulatory Requirements

- 7 As required by the PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, as amended, we report that :
- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by PFM so far as appears from our examination of those books.



- d) In our opinion, all transactions expenses in excess of the limits contractually agreed to / approved by the PFRDA are borne by the PFM (if any) and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts), 2014 to the extent made applicable by PFRDA (Pension Fund) Regulations, 2015 (as amended)
- 8 We further certify that:
- a) Investments have been valued by Stock Holding Corporation of India Ltd (SHCIL) in accordance with the guidelines issued by PFRDA and Aditya Birla Sun Life Pension Management Limited has placed reliance on the valuation prices as provided by SHCIL as explained in Note 7.3 of the Financial Statements.
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W



(S. M. Chitale)
Partner
M No.: 111383

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

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - A Tier I
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at March 31,2018
Liabilities		
Unit Capital	1	1,081,211
Reserve & Surplus	2	63,378
Current Liabilities	3	2,628
Total		1,147,217
Assets		
Investment	4	1,143,327
Other Current Assets	5	3,890
Total		1,147,217
(a) Net asset as per Balance Sheet (Schedule 4+5-3)		1,144,589
(b) number of units outstanding		108,121

Significant accounting policies and notes to accounts

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

For Aditya Birla Sun Life Pension Management Limited

Chitale

S. M. Chitale

Partner

Membership No. 111383

Place : Mumbai

Date :

28 JUN 2018

For and on behalf of NPS Trust

Ashwin Pareek

(Chairman , NPS Board)

Place : Mumbai

Date :

28 JUN 2018

Sashi Krishnan
Sashi Krishnan
(CEO)

S.C. Bhargava
S.C. Bhargava
(Director)



Munish Malik
Munish Malik
(Chief Executive officer)



NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - A Tier I
REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2018

Particulars	Note	Period ended March 31,2018 ₹
Income		
Dividend		-
Interest		
Profit on sale/redemption of investments	6	7,362
Profit on sale of inter-scheme transfer/ Sale of investments		-
Unrealised gain on appreciation in investments		7,828
Other income		-
Total Income (A)		<u>15,190</u>
Expenses & Losses		
Management fees (including service tax)		25
NPS Trust fees		21
CRA fees		717
Less: Amount recoverable by sale of units on account of CRA Charges		-717
Total Expenditure (B)		<u>46</u>
Surplus/(Deficit) for the year (A-B = C)		15,143
Less: Amount transferred to Unrealised appreciation account		7,828
Less: Amount transferred to General Reserve		7,316
Amount carried forward to Balance Sheet		<u>-</u>

Significant accounting policies and notes to accounts

7 & 8

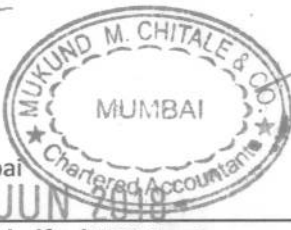
For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

Ghitale

S. M. Chitale
Partner



Place : Mumbai

Date : 28 JUN 2018

For and on behalf of NPS Trust

Ashwin Pawar

(Chairman , NPS Board)

Place : Mumbai

Date :

28 JUN 2018



For Aditya Birla Sun Life Pension Management Limited

S.C. Bhargava

S.C. Bhargava
(Director)



Munish Malik

(Chief Executive officer)

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - A Tier I
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31 2018

Note 1: Unit capital	As at March 31,2018
Unit Capital	
Outstanding at the beginning of the period	-
Add :Units issued during the period	1,552,375
Less: Units redeemed during the period	(471,164)
Outstanding at the end of the period	<u>1,081,211</u>
(Face Value of Rs.10/- each unit, fully paid up)	
Outstanding units at the beginning of the period	-
Add :Units issued during the period	155,237
Less: Units redeemed during the period	(47,116)
Outstanding Units at the end of the period	<u>108,121</u>
Note 2: Reserves and surplus	As at March 31,2018
Reserves and surplus	
Unit premium reserve	
Opening balance	-
Add: Premium on Units issued	70,424
Less: Premium on Units redeemed	(22,189)
Closing balance	<u>48,235</u>
General Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	7,316
Closing balance	<u>7,316</u>
Unrealised Appreciation Reserve	
Opening balance	-
Add/(Less): Transfer from/(to) Revenue Account	7,828
Closing balance	<u>7,828</u>
Total	<u>63,378</u>
Note 3: Current liabilities and provisions	As at March 31,2018
Sundry creditors for expenses	
Redemption Payable	2,589
NPS charges payable	18
Management fees payable	21
Total	<u>2,628</u>
Note 4: Investments	As at March 31,2018
Investment Central Government Securities	
Equity shares	-
Debentures and Bonds Listed/Awaited Listed"	-
Investment SDLC	-
Mutual Fund Units	1,143,327
Total	<u>1,143,327</u>
Note 5: Other current assets	As at March 31,2018
Balances with banks in current account	
Total	<u>3,890</u>
Note 6: Realised Gain on Sale/redemption of investment	For the period ended March 31,2018
Profit on sale of Mutual fund scheme Units	7,362
Total	<u>7,362</u>

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

For Aditya Birla Sun Life Pension Management Limited

S. M. Chitale
Partner
Membership No. 111393

Sashi Krishnan
(CEO)

S.C.Bhargava
(Director)

Place : Mumbai
Date :

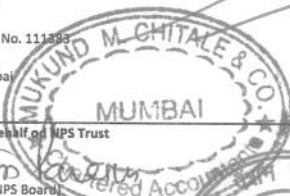
For and on behalf of NPS Trust

Ashwin Bhatnagar
(Chairman, NPS Board)

Munish Malik
(Chief Executive officer)

Place : Mumbai
Date :

28 JUN 2018



NPS TRUST ADITYA BIRLA SUN LIFE PENSION MANAGEMENT LIMITED (ABSLPML) - SCHEME A TIER I

Note 7

Significant accounting policies & notes to the Financial Statements

7.1 Background

Aditya Birla Sun Life Pension Management Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ('PFRDA') for the management of Pension Schemes under the National Pension System ('NPS').

Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ('PFRDA' / 'Authority') guidelines require each PFM to manage subscribers' funds.

As per unbundled architecture of the NPS, the main responsibility of 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 Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS

Some of the key responsibilities of the CRA include the following:

- Record keeping, Administration and Customer service function for NPS subscriber,
- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
- Maintaining database of all PRANs issued and recording transactions relating to each subscribers PRAN,
- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

CRA is responsible to resolve all queries pertaining to investors. CRA informs about the fund flow to Pension Fund Managers (PFM) and also instruct Axis Bank to credit PFM's pool account maintained with them.

PFRDA has appointed the Karvy Computershare Pvt. Ltd as additional CRA in FY 2016-17 for the NPS, which got operational with effect from 15th February, 2017.



NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA.

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 maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

7.2 Basis of preparation of Financial Statements

The financial statements have been prepared to comply, in all material respects, with the generally accepted accounting principles in India. These financial statements have been prepared under the historical cost convention (as modified for investments, which are marked to market) on an accrual basis, except as otherwise stated. The significant accounting policies are in accordance with the accounting policies generally accepted in India.

The Financial Statements of the scheme have been prepared in accordance with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012

7.3 Investments

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

(v) Valuation of Investments

The scheme marks all investments to market and carries investments in the Balance Sheet at the market value as on Balance Sheet date / date of determination / date of valuation.

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.



As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL) and provided to ABSLPML on daily basis.

(vi) Securities traded at a stock exchange:

- Equity traded on valuation day (Actively Traded equity): Where a security is traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, may be used (Closing prices from BSE/NSE for the day).
- Equity not traded on valuation day (Thinly traded equity): When a security is not traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to valuation date.
- Mutual fund units are valued based on the net asset values of the preceding day of the valuation date.

(vii) Debt Securities other than Government Securities

- Debt securities other than Government securities with a residual maturity over 60 days are valued at weighted average traded price on that day. When such securities are not traded on a particular day, they are valued on a yield to maturity basis, by using spreads over risk free benchmark yield obtained from agencies entrusted for the said purpose, by association of mutual fund in India (AMFI) to arrive at the yield for pricing the security.
- Debt securities other than Government securities with a residual maturity upto 60 days are valued at weighted average traded price on that day. When such securities are not traded on a particular 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. In case of floating rate securities with floors and caps on coupon rate and residual maturity of upto 60 days, then those shall be valued on amortisation basis, taking the coupon rate as floor.

(viii) Valuation of securities having call and/or Put options:

- Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.



- For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.

(ix) Valuation of Partly Paid up Bonds

Partly paid bonds will be valued on the paid up value of the bonds till it is fully paid.

(x) Valuation of debt securities below Investment grade of BBB-

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)

(xi) Valuation of Money Market Investment and Mutual Fund

Money market instruments like treasury bills, commercial paper, and certificate of deposit are valued at amortised cost. If they are traded, then they are valued at the last traded price on NSE.

Mutual fund units are valued based on the net asset value of the preceding day of the valuation date

7.4 Income Recognition

- Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date up to the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date up to the date of sale credited to Interest Recoverable Account and not included in sale value.
- Dividend is accounted on accrual basis and recognised on the date the share is quoted on ex-dividend basis.
- Accretion of discount and amortisation of premium relating to debt securities like Zero Coupon Bond and Money Market Investment are recognised over the holding / maturity period on a straight-line basis.
- Profit or loss on sale of debt securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.
- Profit or loss on sale of equity is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.
- Other income of a miscellaneous nature is accounted for as and when realised.



7.5 Units reconciliation

The subscribers' units as per Investment management system are reconciled with Central Recordkeeping Agency (CRA) records on daily basis.

7.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

The Company has started charging investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from May 05, 2017, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

7.7 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from May 05, 2017 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015.

7.8 Other Expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges, if any, are recognised when they are debited by the trustee bank on a quarterly basis.

7.9 Computation of Net Asset Value

The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges (on the day when the charges are recorded) as per IMA from Gross Assets.

7.10 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.



7.11 Provision for Non performing assets

As per the PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, Provision is charged to the Revenue Account, in respect of:

- a) Non Performing Debt Securities as per the Authority Guidelines issued from time to time.
- b) Securities where the certificates, if any, are not traceable for a protracted period.
- c) Assets other than investments, which in the opinion of the Board Of Directors of PF have suffered substantial impairment in their value.

7.12 Income Taxes

No provision for income tax has been made since the income of the Schemes is exempt under Section 10(44) of the Income Tax Act, 1961.

7.13 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.



NOTE 8 Notes to Accounts

- 8.1 All investments of the scheme are in the name of the NPS trust .
 8.2 At the end of the financial year , there are no open positions of derivatives in the scheme
 8.3 The Schemes investments made in associates and Group companies as on Mar 31, 2018

Security particulars	no of shares/bonds	As on 31.03.2018	
		Cost	Market Value
Nil	Nil	Nil	Nil

- 8.4 As on the date of Balance sheet , the scheme does not have any investments which can be categorized as NPA
 8.5 Aggregate Unrealized Gain/Loss as at the end of the Financial year and percentage to net assets.

Particular	As on 31.03.2018	
	Amount (in Rs.)	% to AAUM
Unrealised Gain	7828	3.30%
Unrealised Loss	0	-
Net Unrealised Gain/Loss	7828	3.30%

- 8.6 The Schemes Aggregate Value of Purchase and sale percentage to average assets are set out below

Particular	As on 31.03.2018
Average assets	237023
Purchase of Investment	1881850
% to average Net Asset Value	794%
Sale of Investment	753712
% to average Net Asset Value	318%

- 8.7 Following are the transaction with Associates & Group companies under the scheme

- The following represents significant transactions between the company and its related parties for the year ended Mar 31, 2018

a)

Particular	A-TIER I
	Amount (in Rs.)
Investment management fees	25

- b) Balance with Aditya Birla Sun life Pension management Ltd

Particular	A-TIER I
	Amount (in Rs.)
Investment Management Fees payable	21

8.8 **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 confirmation from CRA the number of units as at the year end are 1,08,121

8.9 **Unit NAV**

Particular	As on 31.03.2018
NAV per unit (Rs)	10.5862

- 8.10 The scheme has no contingent liability as at the end financial year.
 8.11 This being the first year of operations for the scheme, comparative figures for previous year are not given

As per our report of even date
 For Mukund M. Chitale & Co.
 Chartered Accountants
 Firm Reg. No. 106655W

For Aditya Birla Sun Life Pension Management Limited

Chitale
 S. M. Chitale
 Partner
 Membership No. 111368

Sashi Krishnan
 Sashi Krishnan
 (CEO)

S.C. Bhargava
 S.C. Bhargava
 (Director)



Place : Mumbai
 Date :

For and on behalf of NPS Trust

Munish Malik
 Munish Malik
 (Chairman, NPS Board)

Place : Mumbai
 Date :



28 JUN 2018

NAME OF PENSION FUND

NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - A Tier I

SCHEME NAME

A-TIER I

MONTH

Mar-18

Name of the Instrument	ISIN No.	Industry	Quantity	Market Value	% of Portfolio	Ratings
Total				-	-	

Money Market Instruments:-	Market Value	% of Portfolio	Ratings
- Treasury Bills	Nil	-	
- Money Market Mutual Funds	1,143,327.67	99.89%	
- Certificate of Deposits / Commercial Papers	Nil	-	
- Application Pending Allotment	Nil	-	
- Bank Fixed Deposits (< 1 Year)	Nil	-	
- Cash/ Cash Equivalent & Net Current Assets	3,888.91	0.34%	
- Other Current Assets	(2,627.97)	-0.23%	
GRAND TOTAL	1,144,588.61	100.00%	



NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C -ADITYA BIRLA SUN LIFE PENSION FUND SCHEME - A Tier I

Key Statistics for the year ended March 31, 2018

S. No	Particular	As at March 31,2018
1	NAV per Unit (Rs)	
	Open	10.0000
	High	10.5862
	Low	10.0000
	End	10.5862
2	Closing Assets Under Management (Rs in Lakhs)	
	End	11.45
	Average (AAUM)	2.37
3	Gross Income % of AAUM @	6.41%
4	Expense Ratio	
	a.Total Expenses as % of AAUM @	0.02%
	b.Management fees as a % of AAUM	0.01%
5	Net Income as a % of AAUM@	6.39%
6	Portfolio turnover ratio	-
7	Returns (%) * Compounded Annualised Yield	
	Last 1 Year	
	Last 3 years	
	Last 5 years	
	Since Launch of the Scheme	5.86%
	Launch Date	15/05/2017
@includes unrealised gain or loss		
1 Gross income =amount in the Revenue account i.e income 2 Net income =amount in the revenue account i.e net realised gains/loss for the year /period 3 Portfolio turnover = Lower of sales or purchase divided by the average AUM for the year / period. 4 AAUM = Average daily net assets 5 NAV= (Market value of investments held by scheme + Value of current assets -value of current liability and provisions, if any)/no. of units at the valuation date (before creation / redemption of units)		



M. P. Chitale & Co.

Chartered Accountants

1/11, Prabhadevi Ind. Estate, 1st Flr., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 25 • Tel.: 43474301-03 • Fax : 43474304

To

The Board of Directors

Aditya Birla Sun Life Pension Management Ltd.,

One India Bulls Centre,

Tower – 1, 16th Floor,

Jupiter Mill Compound,

841, S.B. Marg, Elphinstone Road,

Mumbai - 400 013.

We have reviewed the report on proxy voting for the quarter ending December 2017 and March 2018 and the proxy voting disclosure uploaded on the company's website with the memorandum of discussions of the meetings of the proxy voting committee, approval mails of the CIO & CEO of the company and the collective decision of the other pension funds.

We hereby certify that the Company has complied with the procedure for exercise of voting rights and submission of periodic reports effective quarter ended December 2017 and March 2018, as required under the Circular, to the NPS Trust for the Financial Year 2017-18. However, due to insignificant equity portfolio, the Company did not exercise voting decision on e-voting platforms for quarter ended June 2017 and September 2017. The same has been intimated to NPS Trust vide letter dated October 6, 2017.

This Certificate has been issued as per the requirement under Para 2 of the Circular No PFRDA/2015/15/NPST/1 dated August 17, 2015. Our review is to the extent of documents/information submitted by the company in this regard.

For M.P. Chitale & Co.

Chartered Accountants

Firm Reg. No. 101851W



Santosh More

Partner

Membership No: 114236