

HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G
UNAUDITED FUND REVENUE ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

(In ₹)

Particulars	Schedule	Schemes Tier - I			Total Tier - I	Schemes Tier - II			Total Tier - II	Grand Total
		E	C	G		E	C	G		
Income from investments										
Interest/Amortisation income		-	1,555	10,746	12,301	-	-	-	-	12,301
Dividend income		2,120	-	-	2,120	-	-	-	-	2,120
Net profit / (loss) on sale/redemption of investments (other than inter-scheme transfer/sale)		4,416	5,406	1,354	11,177	240	127	-	366	11,543
Net profit / (loss) on inter-scheme transfer/sale of investments		-	-	-	-	-	-	-	-	-
Unrealised gain on appreciation in investments		35,410	2,821	-	38,231	91	117	55	263	38,494
Total income (A)		41,946	9,783	12,100	63,829	330	244	55	629	64,457
Unrealised losses in value of investments		17,202	1,019	26,894	45,115	-	-	-	-	45,115
Provision for outstanding accrued income considered doubtful		-	-	-	-	-	-	-	-	-
Provision for doubtful deposits and current assets		-	-	-	-	-	-	-	-	-
Management fees		356	235	359	950	8	6	2	16	966
Service Tax		45	30	46	121	1	1	0	2	123
Trusteeship/regulatory fees		-	-	-	-	-	-	-	-	-
Publicity expenses		-	-	-	-	-	-	-	-	-
Audit fees		-	-	-	-	-	-	-	-	-
Custodian fees		11	7	11	29	-	-	-	-	29
Trustee bank fees		-	-	-	-	-	-	-	-	-
CRA fees		4,703	2,927	3,966	11,596	11	8	3	22	11,618
Less : Amount recovered on sale of units on account of CRA charges		(4,703)	(2,927)	(3,966)	(11,596)	(11)	(8)	(3)	(22)	(11,618)
Total expenditure (B)		17,614	1,291	27,310	46,215	9	7	2	18	46,233
Net income/(expenditure) for the period (A-B) appropriated to Balance Sheet		24,332	8,491	(15,209)	17,614	321	237	53	611	18,225
Balance at the beginning of the year		-	-	-	-	-	-	-	-	-
Balance at the end of the period carried to Balance Sheet		24,332	8,491	(15,209)	17,614	321	237	53	611	18,225
Total income (including net unrealised gain/loss) expressed as a percentage of average net assets, calculated on a daily basis.		2.90%	1.56%	-1.72%		1.69%	1.65%	1.16%		
Total expenditure expressed as a percentage of average net assets, calculated on a daily basis.		0.05%	0.05%	0.05%		0.05%	0.05%	0.05%		
Significant accounting policies and notes to accounts	7									

Note :- The Company has commenced its operations in the current financial year and hence previous year figures are not available

The notes referred to above form an integral part of the financial statements.

For and on behalf of Board of Directors of HDFC Pension Management Company Limited

Amitabh Chaudhry
Director

Vibha Padalkar
Director

Sumit Shukla
Chief Executive Officer

Nagesh Pai
Company Secretary

Place : Mumbai
Date : October 15, 2013

HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G
UNAUDITED FUND BALANCE SHEET AS AT SEPTEMBER 30, 2013

(In ₹)

Particulars	Schedule	Schemes Tier - I			Total Tier - I	Schemes Tier - II			Total Tier - II	Grand Total
		E	C	G		E	C	G		
Sources of funds										
Unitholders Funds										
Unit capital	1	1,489,875	995,039	1,567,600	4,052,514	22,391	16,347	6,143	44,881	4,097,395
Reserves and surplus	2	37,447	17,845	(24,040)	31,252	370	263	54	688	31,939
Current liabilities and provisions	3	31,975	3,199	4,382	39,556	20	15	5	40	39,596
Borrowings		-	-	-	-	-	-	-	-	-
Total		1,559,296	1,016,083	1,547,941	4,123,321	22,781	16,625	6,202	45,609	4,168,930
Application of funds										
Investments (long term and short term)	4	1,500,643	1,015,698	1,521,657	4,037,998	22,191	16,117	5,805	44,113	4,082,111
Deposits	5	-	-	-	-	-	-	-	-	-
Other current assets	6	58,653	385	26,284	85,323	591	508	398	1,496	86,819
Total		1,559,296	1,016,083	1,547,941	4,123,321	22,781	16,625	6,202	45,609	4,168,930
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		1,527,322	1,012,884	1,543,560	4,083,765	22,761	16,610	6,197	45,569	4,129,334
(b) Number of units outstanding		148,987	99,504	156,760		2,239	1,635	614		
(c) NAV per unit (a)/(b) (₹)		10.2513	10.1793	9.8466		10.1651	10.1611	10.0886		
Significant accounting policies and notes to accounts	7									

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HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G
Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

Particulars	Schemes Tier - I			Total Tier - I	Schemes Tier - II			Total Tier - II	Grand Total
	E	C	G		E	C	G		
	September 30, 2013								
Initial capital									
Unit capital									
Opening balance	-	-	-	-	-	-	-	-	-
Additions during the year	1,498,092	998,761	1,571,663	4,068,515	22,402	16,355	6,146	44,903	4,113,418
Deduction during the year	(8,217)	(3,722)	(4,063)	(16,002)	(11)	(8)	(3)	(22)	(16,024)
Closing balance	1,489,875	995,039	1,567,600	4,052,514	22,391	16,347	6,143	44,881	4,097,395
Number of units of face value ₹ 10	148,987	99,504	156,760		2,239	1,635	614		

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Schemes Tier - I			Total Tier - I	Schemes Tier - II			Total Tier - II	Grand Total
	E	C	G		E	C	G		
	September 30, 2013								
Unit premium reserve									
Opening balance	-	-	-	-	-	-	-	-	-
Additions during the year	13,349	9,413	(8,893)	13,869	49	26	2	77	13,946
Deduction during the year	(234)	(59)	62	(231)	(0)	(0)	(0)	(0)	(231)
Closing balance	13,115	9,354	(8,831)	13,638	49	26	2	77	13,715
Surplus/(deficit) in Revenue account									
Opening balance	-	-	-	-	-	-	-	-	-
Additions during the year	24,332	8,491	-	32,823	321	237	53	611	33,434
Deduction during the year	-	-	(15,209)	(15,209)	-	-	-	-	(15,209)
Closing balance	24,332	8,491	(15,209)	17,614	321	237	53	611	18,225
General reserve*	-	-	-	-	-	-	-	-	-
Appropriation account*	-	-	-	-	-	-	-	-	-
Total	37,447	17,845	(24,040)	31,252	370	263	54	688	31,939

* The balances have been nil throughout the period

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Schemes Tier - I			Total Tier - I	Schemes Tier - II			Total Tier - II	Grand Total
	E	C	G		E	C	G		
	September 30, 2013								
Current liabilities									
Sundry creditors	412	272	416	1,100	9	7	2	18	1,118
Contracts for purchase of investments	26,860	-	-	26,860	-	-	-	-	26,860
Interest received in advance	-	-	-	-	-	-	-	-	-
Unclaimed distributed income	-	-	-	-	-	-	-	-	-
Unit redemption payable	4,703	2,927	3,966	11,596	11	8	3	22	11,618
Provisions									
Total	31,975	3,199	4,382	39,556	20	15	5	40	39,596

Note :- The Company has commenced its operations in the current financial year and hence previous year figures are not available

HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G
Schedules forming part of the financial statements

Schedule 4: Investments

(In ₹)

Particulars	Schemes Tier - I			Total Tier - I	Schemes Tier - II			Total Tier - II	Grand Total
	E	C	G		E	C	G		
	September 30, 2013				September 30, 2013				
Equity shares	1,437,643	-	-	1,437,643	-	-	-	-	1,437,643
Preference shares	-	-	-	-	-	-	-	-	-
Debentures and bonds	-	202,377	-	202,377	-	-	-	-	202,377
Central and state government securities (including treasury bills)	-	-	1,407,657	1,407,657	-	-	-	-	1,407,657
Commercial Paper	-	-	-	-	-	-	-	-	-
Others - Mutual funds	63,000	813,321	114,000	990,321	22,191	16,117	5,805	44,113	1,034,434
Total	1,500,643	1,015,698	1,521,657	4,037,998	22,191	16,117	5,805	44,113	4,082,111

Schedule 5: Deposits

(In ₹)

Particulars	Schemes Tier - I			Total Tier - I	Schemes Tier - II			Total Tier - II	Grand Total
	E	C	G		E	C	G		
	September 30, 2013				September 30, 2013				
Deposits with scheduled banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Schedule 6: Other current assets

(In ₹)

Particulars	Schemes Tier - I			Total Tier - I	Schemes Tier - II			Total Tier - II	Grand Total
	E	C	G		E	C	G		
	September 30, 2013				September 30, 2013				
Balances with banks in Current / Saving account	793	385	674	1,851	591	508	398	1,496	3,348
Cash on hand	-	-	-	-	-	-	-	-	-
Sundry Debtors	26,860	-	-	26,860	-	-	-	-	26,860
Contracts for sale of investments	30,011	-	-	30,011	-	-	-	-	30,011
Outstanding and accrued income	-	-	25,610	25,610	-	-	-	-	25,610
Advance, deposits etc.	-	-	-	-	-	-	-	-	-
Shares/debentures/ others application money pending allotment	-	-	-	-	-	-	-	-	-
Others - Dividend receivable	990	-	-	990	-	-	-	-	990
Total	58,653	385	26,284	85,323	591	508	398	1,496	86,819

Note :- The Company has commenced its operations in the current financial year and hence previous year figures are not available

HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G

Schedule 7

Significant accounting policies and notes to accounts for the period ended September 30, 2013

1.1 Background

HDFC Pension Management Company 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 made available to it by the Trustee bank along with the data made available by the Central Recordkeeping Agency ('CRA'). CRA is required to furnish subscribers' data at a consolidated level to the Company and the Company makes investments as per the requirements of IMA and the scheme wise flow of funds.

1.2 Basis of preparation

The financial statements have been prepared to comply with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 1956 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis, except as otherwise stated.

The Company manages six separate schemes under the two tiered structure (Tier I and II) prescribed under the NPS. The schemes are classified as Scheme E, C and G based on the asset class prescribed under the NPS as follows:

Scheme E - Equity market instruments
Scheme C - Credit risk bearing fixed income instruments
Scheme G - Government securities

1.3 Investments

Transactions for Purchase and sale of securities are accounted on trade date.

The holding cost of investments is determined by the weighted average cost method and the cost does not include brokerage and other transaction charges.

The cost of investments acquired or purchased includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

Investments are reconciled with the custodian records on daily basis.

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. Unrealised gain/(loss), if any, arising out of appreciation/depreciation in value of investments, is transferred to Revenue account.

As per directive received from NPS Trust, the valuation of investments is carried out by Stock Holding Corporation of India Limited (SHCIL). The Investment valuation methodology adopted by SHCIL is as follows:

The following valuation norms are as prescribed by PFRDA (Preparation of Financial Statements and Auditor's Report of schemes under National Pension System) Guidelines - 2012.

Securities traded at a stock exchange:

The securities shall be valued at the daily close price on the stock exchange.

Listed equity shares are valued at market value, being the last quoted closing price on the National stock exchange (NSE). If they are not quoted on NSE, then the last quoted closing price on the Bombay stock exchange (BSE) is taken.

Debt securities (other than government securities) are valued at the last quoted closing price on the principal exchange on which the security is traded.

Money market instruments like treasury bills, commercial paper, CBLO and certificate of deposit are valued at amortised cost.

HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G

Schedule 7

Central and State Government securities and unlisted debt securities are valued at yield to maturity based on the methodology provided by independent Valuation Agencies.

Investments in mutual fund schemes are valued based on the latest available net asset value of the respective schemes.

Securities not traded at a stock exchange:

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

Equity instruments shall generally be 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.

Debt securities are valued at yield to maturity based on the methodology provided by Independent valuation Agencies.

1.4 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.

Dividend income is recognized on Ex-dividend date.

Bonus shares are recognized 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 shares / mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.

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.

Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding / maturity period on a straight-line basis.

1.5 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/installment 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 shall be 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) shall be recognised on receipt and other incomes of miscellaneous nature shall be accounted for when there is certainty of collection.

1.6 Units reconciliation

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

1.7 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.

HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G

Schedule 7

The Company is charging investment management fee @ 0.25% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/CIR/1/PFM/1 dated August 31, 2012.

1.8 Other Expenses

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

HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G

Notes to accounts

2.1 Contingent liabilities

Particulars	(In ₹)
	As on September 30, 2013
Uncalled liability on partly paid shares	Nil
Other commitments	Nil

2.2 Investments

All investments are performing investments. All investments of the scheme are in the name of the NPS Trust. All investments are traded investments.

2.3 Details of transactions with sponsor and its related parties

Nature of relationship	Name of the related party
Pension fund manager	HDFC Pension Management Company Limited
Sponsor company	HDFC Standard Life Insurance Company Limited
Associates and group companies	
Holding Company	HDFC Limited
Mr. Amitabh Chaudhry	Key Management Personnel
Ms Vibha Padalkar	Key Management Personnel
Mr. Sumit Shukla	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the period ended September 30, 2013:

Scheme name	Nature of Transaction	Amount
Tier I Scheme E	Investment management fees	356
Tier I Scheme C	Investment management fees	235
Tier I Scheme G	Investment management fees	359
Tier II Scheme E	Investment management fees	8
Tier II Scheme C	Investment management fees	6
Tier I Scheme E	Investment management fees	2

Aggregate investments made by all schemes in the Associates and group companies at September 30, 2013 are as follows:

Scheme name	Security	Asset type	Cost	Market value
Tier I Scheme E	HDFC Ltd	Equity	35,130	35,156

Transaction with other Group Companies

Nature of relationship	Name of the related party
Associates of Holding Company	HDFC Bank Limited

Aggregate investments made by all schemes in the other group companies at September 30, 2013 are as follows:

Scheme name	Security	Asset type	Cost	Market value
Tier I Scheme E	HDFC Bank Ltd	Equity	33,807	32,618

2.4 Provision

There are no provisions for doubtful deposits, debts and outstanding and accrued income.

Note :- The Company has commenced its operations in the current financial year and hence previous year figures are not available

HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G

Notes to accounts

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

Aggregate value of purchase and sale with percentage to average assets at September 30, 2013 is as follows :

(In ₹)

Scheme name	Aggregate value of purchase and sale	Net Asset Value	% to average net assets
Tier I Scheme E	5,466,608	852,248	641.43%
Tier I Scheme C	10,844,245	562,983	1926.21%
Tier I Scheme G	7,127,968	859,057	829.74%
Tier II Scheme E	65,231	19,521	334.16%
Tier II Scheme C	41,640	14,801	281.33%
Tier II Scheme G	5,750	4,700	122.34%

Note :- The Company has commenced its operations in the current financial year and hence previous year figures are not available

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets at September 30, 2013 is as follows :

(In ₹)

Scheme name	Aggregate value of purchase and sale	Net Asset Value	% to average net assets
Tier I Scheme E	1,497,361	852,248	175.70%
Tier I Scheme C	201,841	562,983	35.85%
Tier I Scheme G	1,581,332	859,057	184.08%
Tier II Scheme E	-	19,521	-
Tier II Scheme C	-	14,801	-
Tier II Scheme G	-	4,700	-

*liquid mutual fund investments are held for day to day cash management, hence excluded

2.6 Investments falling under each major industry group

The total value of investments falling under each major industry group (which constitutes not less than 5% of the total investments in the major classification of the financials) are disclosed as under:

Tier I Scheme E

(In ₹)

Investment classification	At September 30, 2013	
	Market value	% of investment class
Writing, modifying, testing of computer programs	250,214	16.38%
Monetary intermediation of commercial / saving / postal banks	233,270	15.27%
Manufacture of cigarettes, cigarette tobacco	144,670	9.47%
Production of liquid and gaseous fuels, illuminating oils & lubricating oils	122,915	8.05%
Manufacture of allopathic pharmaceutical preparations	106,054	6.94%
Others	580,521	38.01%
Mutual Funds	63,000	4.12%
Net Current Assets	26,678	1.75%
Net Asset Value	1,527,322	100.00%

Tier I Scheme C

(In ₹)

Investment classification	At September 30, 2013	
	Market value	% of investment class
Monetary intermediation of commercial / saving / postal banks	202,377	19.98%
Mutual Funds	813,321	80.30%
Net Current Assets	-2,814	-0.28%
Net Asset Value	1,012,884	100.00%

Tier I Scheme G

(In ₹)

Investment classification	At September 30, 2013	
	Market value	% of investment class
Central Government Securities	1,407,657	91.20%
Mutual Funds	114,000	7.39%
Net Current Assets	21,903	1.42%
Net Asset Value	1,543,560	100.00%

Note :- The Company has commenced its operations in the current financial year and hence previous year figures are not available

HDFC PENSION MANAGEMENT COMPANY LIMITED - TIER I SCHEMES E, C, G AND TIER II SCHEMES E, C, G

Notes to accounts

Tier II Scheme E

(In ₹)

Investment classification	At September 30, 2013	
	Market value	% of investment class
Mutual Funds	22,191	97.49%
Net Current Assets	570	2.51%
Net Asset Value	22,761	100.00%

Tier II Scheme C

(In ₹)

Investment classification	At September 30, 2013	
	Market value	% of investment class
Mutual Funds	16,117	97.03%
Net Current Assets	493	2.97%
Net Asset Value	16,610	100.00%

Tier II Scheme G

(In ₹)

Investment classification	At September 30, 2013	
	Market value	% of investment class
Mutual Funds	5,805	93.66%
Net Current Assets	393	6.34%
Net Asset Value	6,197	100.00%

Note :- The Company has commenced its operations in the current financial year and hence previous year figures are not available