



HDFC PENSION MANAGEMENT COMPANY LIMITED

**Un-audited Financial Statements for the half year
ended September 30, 2018**

SCHEME E TIER I

SCHEME E TIER II

SCHEME C TIER I

SCHEME C TIER II

SCHEME G TIER I

SCHEME G TIER II

SCHEME A TIER I

SCHEME A TIER II

FINANCIAL STATEMENTS OF THE SCHEMES.....

- a) Scheme E Tier I - Equity market instruments
- b) Scheme E Tier II - Equity market instruments
- c) Scheme C Tier I - Credit risk bearing fixed income instruments
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- e) Scheme G Tier I - Government securities
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NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

**Un-audited Financial Statements for the half year
ended September 30, 2018**

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NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I**

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme E Tier I | |
|--|----------|-----------------------|----------------------|
| | | September 30, 2018 | September 30, 2017 |
| Liabilities | | | |
| Unit Capital | 1 | 6,442,495,338 | 3,478,778,146 |
| Reserves & Surplus | 2 | 7,027,612,129 | 3,123,505,192 |
| Current Liabilities and Provisions | 3 | 74,272,183 | 115,341,546 |
| Total | | 13,544,379,650 | 6,717,624,884 |
| Assets | | | |
| Investments | 4 | 13,497,929,811 | 6,564,767,397 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 46,449,839 | 152,857,487 |
| Total | | 13,544,379,650 | 6,717,624,884 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 13,470,107,467 | 6,602,283,338 |
| (b) Number of units outstanding | | 644,249,534 | 347,877,814 |
| (c) NAV per unit (a)/(b) (₹)* | | 20.9082 | 18.9787 |
| Significant accounting policies and notes to accounts | 7 | | |

* 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018.

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme E Tier I | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Income | | | |
| Dividend | | 97,691,022 | 47,315,370 |
| Profit on sale/redemption of investments | | 131,496,658 | 83,523,739 |
| Unrealised gain on appreciation in investments | | 445,869,274 | 282,329,976 |
| Other income | | | |
| - Miscellaneous Income | | 3,660 | - |
| Total Income (A) | | 675,060,614 | 413,169,085 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | 797,177 | - |
| Loss on sale/redemption of investments | | 8,704,981 | 5,309,763 |
| Management fees (including Goods and Service Tax / Service Tax) | | 734,853 | 337,073 |
| NPS Trust fees | | 311,379 | 288,984 |
| Custodian fees | | 204,586 | 107,863 |
| CRA fees | | 7,618,008 | 4,657,268 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (7,618,008) | (4,657,268) |
| Depository and settlement charges | | 25,553 | 11,846 |
| Total Expenditure (B) | | 10,778,529 | 6,055,529 |
| Surplus/(Deficit) for the year (A-B = C) | | 664,282,085 | 407,113,556 |
| Less: Amount transferred to Unrealised appreciation account | | (445,072,097) | (282,329,976) |
| Less: Amount transferred to General Reserve | | (219,209,988) | (124,783,580) |
| Amount carried forward to Balance Sheet | | - | - |
| Significant accounting policies and notes to accounts | 7 | | |

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

Schedules forming part of the un-audited half yearly financial statements.

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme E Tier I | |
|---|----------------------|----------------------|
| | September 30, 2018 | September 30, 2017 |
| Initial capital | | |
| Unit Capital | | |
| Outstanding at the beginning of the period | 5,098,627,559 | 2,657,539,445 |
| Add :Units issued during the period | 1,562,303,126 | 932,858,638 |
| Less: Units redeemed during the period | (218,435,347) | (111,619,937) |
| Outstanding at the end of the period | 6,442,495,338 | 3,478,778,146 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 509,862,756 | 265,753,944 |
| Add :Units issued during the period | 156,230,313 | 93,285,864 |
| Less: Units redeemed during the period | (21,843,535) | (11,161,994) |
| Outstanding Units at the end of the period | 644,249,534 | 347,877,814 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme E Tier I | |
|--|----------------------|----------------------|
| | September 30, 2018 | September 30, 2017 |
| Unit premium reserve | | |
| Opening balance | 3,791,064,241 | 1,443,574,386 |
| Add: Premium on Units issued | 1,725,807,207 | 803,228,796 |
| Less: Premium on Units redeemed | (245,136,590) | (96,011,408) |
| Closing balance | 5,271,734,858 | 2,150,791,774 |
| General Reserve | | |
| Opening balance | 300,160,095 | 83,355,038 |
| Add/(Less): Transfer from/(to) Revenue Account | 219,209,988 | 124,783,580 |
| Closing balance | 519,370,083 | 208,138,618 |
| Unrealised Appreciation Reserve | | |
| Opening balance | 791,435,091 | 482,244,824 |
| Add/(Less): Transfer from/(to) Revenue Account | 445,072,097 | 282,329,976 |
| Add: Adjustment for Previous years unrealised appreciation reserve | - | - |
| Closing balance | 1,236,507,188 | 764,574,800 |
| Total | 7,027,612,129 | 3,123,505,192 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme E Tier I | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Current liabilities & Provisions | | |
| Sundry creditors for expenses | 660,445 | 571,529 |
| Redemption Payable | 6,385,234 | 4,067,680 |
| TDS Payable | 14,869 | 7,163 |
| Contracts for purchase of investments | 67,211,635 | 110,695,174 |
| Provisions* | - | - |
| Total | 74,272,183 | 115,341,546 |

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I**

Schedules forming part of the un-audited half yearly financial statements.

Schedule 4: Investments (Long Term and Short Term)**(In ₹)**

| Particulars | Scheme E Tier I | |
|----------------------------|-----------------------|----------------------|
| | September 30, 2018 | September 30, 2017 |
| Equity shares | 12,922,326,811 | 6,303,951,397 |
| Others - Mutual Fund Units | 575,603,000 | 260,816,000 |
| Total | 13,497,929,811 | 6,564,767,397 |

Schedule 5: Deposits**(In ₹)**

| Particulars | Scheme E Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Deposits with scheduled banks | - | - |
| Total | - | - |

Schedule 6: Other current assets**(In ₹)**

| Particulars | Scheme E Tier I | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Balances with banks in current account | 25,568 | 45,851 |
| Contracts for sale of investments | 27,597,314 | 83,979,268 |
| Brokerage receivable from PFM | 28,433 | 19,054 |
| Application money pending allotment | - | 1,250,000 |
| Others - Dividend receivable | 5,239,911 | 2,351,707 |
| Sundry debtors - Margin Money for Investments | 13,558,613 | 65,211,607 |
| Total | 46,449,839 | 152,857,487 |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2018

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. 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.

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. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply 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, 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 financials have been prepared for SCHEME E TIER I being managed by the Company.

The Company manages eight separate schemes under the two tiered structure (Tier I and II) prescribed under the NPS. The schemes are classified as Scheme E, C, G and A 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

Scheme A – Alternate Investment funds

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 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.

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) effective April 1, 2011. 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 are valued at the daily closing 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.

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.

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.

1.4 Income Recognition

Dividend Income is recognised on the "Ex-Dividend" date in case of listed equity shares.

Bonus entitled shares are 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.

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.

1.5 Units reconciliation

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

1.6 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 August 01, 2014, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

1.7 Trustee fees

Trustee Fees are recognized on daily accrual basis on closing Asset Under Management (AUM) in accordance with circular no. 1/20/2015/NPST dated October 19, 2015.

The Company has started charging Trustee fee of 0.005% per annum, with effect from April 01, 2018 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST/4764 dated March 19, 2018. The Trustee fees charged until March 31, 2018 was 0.01% per annum in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST dated October 19, 2015.

1.8 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.

1.9 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.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

Notes to accounts (un-audited)

2.1 Contingent liabilities

(In ₹)

| Particulars | Scheme E Tier I | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Uncalled liability on partly paid shares | NIL | NIL |
| Other commitments | NIL | 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 |
| Ms. Vibha Padalkar | Key Management Personnel |
| Mr. Parvez Mulla | Key Management Personnel (w.e.f. September 25 th , 2018) |
| Mr. Sumit Shukla | Key Management Personnel |
| Mr. Fagun Pancholi | Key Management Personnel |
| Mr. Nagesh Pai | Key Management Personnel |

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2018

(In ₹)

| Nature of Transaction | Scheme E Tier I | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees | 734,853 | 337,073 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | Scheme E Tier I | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees payable | 375,424 | 176,099 |

Aggregate investments made in the Associates and group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme E Tier I | | | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | As at September 30, 2018 | | As at September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Ltd | Equity | 136,520,445 | 137,815,975 | 23,231,909 | 33,874,365 |

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme E Tier I | | | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | As at September 30, 2018 | | As at September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | Equity | 414,833,001 | 523,879,958 | 197,993,844 | 284,135,924 |

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme E Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 12,421,108,326 | 5,763,893,438 |
| Purchase of Investment | 56,103,836,211 | 30,285,545,693 |
| % to average Net Assets Value | 451.68% | 525.44% |
| Sale of Investment | 53,297,132,354 | 28,791,704,222 |
| % to average Net Assets Value | 429.09% | 499.52% |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

Notes to accounts (un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme E Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 12,421,108,326 | 5,763,893,438 |
| Purchase of Investment | 3,246,787,212 | 1,898,428,493 |
| % to average Net Assets Value | 26.14% | 32.94% |
| Sale of Investment | 469,172,044 | 460,591,174 |
| % to average Net Assets Value | 3.78% | 7.99% |

*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:

(In ₹)

| Industry Classification | Scheme E Tier I | | | |
|---|--------------------------|------------------------------|--------------------------|------------------------------|
| | As at September 30, 2018 | | As at September 30, 2017 | |
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Monetary intermediation of commercial / saving / postal banks | 2,961,450,045 | 21.99% | 1,611,303,183 | 24.41% |
| Computer programming, consultancy and related activities | 1,463,329,616 | 10.86% | 499,346,167 | 7.56% |
| Manufacture of refined petroleum products | 1,293,932,364 | 9.61% | 505,560,291 | 7.66% |
| Manufacture of passenger cars | 624,783,053 | 4.64% | 438,690,894 | 6.64% |
| Construction of Utility Projects | 504,196,835 | 3.74% | 350,970,238 | 5.32% |
| Others (Industries constitute less than 5%) | 6,074,634,898 | 45.10% | 2,898,080,624 | 43.90% |
| Mutual Funds | 575,603,000 | 4.27% | 260,816,000 | 3.95% |
| Net Current Assets | -27,822,344 | -0.21% | 37,515,941 | 0.57% |
| Net Asset Value | 13,470,107,467 | 100.00% | 6,602,283,338 | 100.00% |

Note :

1. Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.

2.7 Age wise disclosure for Shares/debentures/ others application money pending allotment.

(In ₹)

| Security Name | Asset Type | Ageing | Scheme E Tier I | |
|---|--------------------|------------------|--------------------|--------------------|
| | | | September 30, 2018 | September 30, 2017 |
| ICICI Prudential Liquid - Direct Plan - Growth. | Liquid Mutual Fund | Less than 7 Days | NIL | 1,250,000 |

2.8 Prior Year Comparatives :

The Figures of the previous period have been regrouped / rearranged, wherever applicable, to conform current year's presentation.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|---------------|----------------|-----------------|
| Equity Instruments | | | |
| Shares | | | |
| 1. Reliance Industries Ltd | 1,179,391,011 | 8.76% | N.A. |
| 2. Infosys Ltd | 809,260,425 | 6.01% | N.A. |
| 3. ITC Ltd | 662,538,413 | 4.92% | N.A. |
| 4. Kotak Mahindra Bank Ltd | 623,484,840 | 4.63% | N.A. |
| 5. ICICI Bank Ltd | 565,618,883 | 4.20% | N.A. |
| 6. HDFC Bank Ltd | 523,879,958 | 3.89% | N.A. |
| 7. Larsen & Toubro Ltd | 504,196,835 | 3.74% | N.A. |
| 8. IndusInd Bank Ltd | 455,975,490 | 3.39% | N.A. |
| 9. Hindustan Unilever Ltd | 376,204,760 | 2.79% | N.A. |
| 10. Tata Consultancy Services Ltd | 357,696,611 | 2.66% | N.A. |
| 11. Maruti Suzuki India Ltd | 342,047,073 | 2.54% | N.A. |
| 12. Axis Bank Ltd | 297,610,225 | 2.21% | N.A. |
| 13. Mahindra & Mahindra Ltd | 282,735,980 | 2.10% | N.A. |
| 14. State Bank of India | 276,504,975 | 2.05% | N.A. |
| 15. UltraTech Cement Ltd | 255,776,850 | 1.90% | N.A. |
| 16. Tata Steel Ltd | 201,257,813 | 1.49% | N.A. |
| 17. Bajaj Finance Ltd | 198,155,200 | 1.47% | N.A. |
| 18. National Thermal Power Corporation Ltd | 191,477,060 | 1.42% | N.A. |
| 19. Sun Pharmaceuticals Industries Ltd | 189,156,375 | 1.40% | N.A. |
| 20. Asian Paints (India) Ltd | 176,858,775 | 1.31% | N.A. |
| 21. Vedanta Ltd | 173,748,785 | 1.29% | N.A. |
| 22. Hero Motocorp Ltd | 168,661,875 | 1.25% | N.A. |
| 23. HCL Technologies Ltd | 163,822,680 | 1.22% | N.A. |
| 24. Zee Entertainment Enterprises Ltd | 154,650,360 | 1.15% | N.A. |
| 25. Cipla Ltd | 154,519,313 | 1.15% | N.A. |
| 26. Oil & Natural Gas Corporation Ltd | 142,956,100 | 1.06% | N.A. |
| 27. Housing Development Finance Corporation Ltd | 137,815,975 | 1.02% | N.A. |
| 28. Yes Bank Ltd | 132,723,855 | 0.99% | N.A. |
| 29. Tech Mahindra Ltd | 132,549,900 | 0.98% | N.A. |
| 30. Tata Motors Ltd | 130,685,540 | 0.97% | N.A. |
| 31. Shree Cements Ltd | 130,070,325 | 0.97% | N.A. |
| 32. Bharati Airtel Ltd | 129,647,723 | 0.96% | N.A. |
| 33. Bajaj Finserv Ltd | 122,226,170 | 0.91% | N.A. |
| 34. Eicher Motors Ltd | 119,717,730 | 0.89% | N.A. |
| 35. Bharat Petroleum Corporation Ltd | 112,525,613 | 0.84% | N.A. |
| 36. Havells India Ltd | 99,935,450 | 0.74% | N.A. |
| 37. Shriram Transport Finance Co. Ltd | 96,392,063 | 0.72% | N.A. |
| 38. Adani Ports And Special Economic Zone Ltd | 91,499,980 | 0.68% | N.A. |
| 39. Hindustan Petroleum Corporation Ltd | 91,464,938 | 0.68% | N.A. |
| 40. Dabur India Ltd | 90,908,355 | 0.67% | N.A. |
| 41. Power Grid Corporation of India Ltd | 88,698,720 | 0.66% | N.A. |
| 42. Motherson Sumi Systems Ltd | 84,705,480 | 0.63% | N.A. |
| 43. Dr Reddys Laboratories Ltd | 84,397,178 | 0.63% | N.A. |
| 44. Gas Authority of India Ltd | 82,811,500 | 0.61% | N.A. |
| 45. Coal India Ltd | 80,127,938 | 0.59% | N.A. |
| 46. Grasim Industries Ltd | 76,867,875 | 0.57% | N.A. |
| 47. Godrej Consumer Products Ltd | 70,907,963 | 0.53% | N.A. |
| 48. Nestle India Limited | 67,412,568 | 0.50% | N.A. |
| 49. Petronet LNG Ltd | 66,930,550 | 0.50% | N.A. |
| 50. Exide Industries Ltd | 66,773,948 | 0.50% | N.A. |
| 51. Lupin Ltd | 62,165,550 | 0.46% | N.A. |
| 52. Cummins India Ltd | 61,925,200 | 0.46% | N.A. |
| 53. ICICI Prudential Life Insurance Company Limited | 60,759,188 | 0.45% | N.A. |
| 54. Cholamandalam Investment & Finance Company Ltd | 60,554,325 | 0.45% | N.A. |
| 55. MRF Ltd | 60,418,623 | 0.45% | N.A. |
| 56. Cadila Healthcare Ltd | 59,243,325 | 0.44% | N.A. |
| 57. Britannia Industries Ltd | 57,943,825 | 0.43% | N.A. |
| 58. Bajaj Auto Ltd | 57,108,313 | 0.42% | N.A. |
| 59. Hindalco Industries Ltd | 54,863,385 | 0.41% | N.A. |
| 60. Mahindra & Mahindra Financial Services Ltd | 49,684,830 | 0.37% | N.A. |
| 61. Bharti Infratel Ltd | 49,027,028 | 0.36% | N.A. |
| 62. Indraprastha Gas Ltd | 39,394,343 | 0.29% | N.A. |
| 63. RBL Bank Ltd | 35,781,810 | 0.27% | N.A. |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|-----------------------|----------------|-----------------|
| 64.TVS Motor Company Ltd | 35,535,173 | 0.26% | N.A. |
| 65.LIC Housing Finance Ltd | 32,786,770 | 0.24% | N.A. |
| 66.Ashok Leyland Ltd | 30,912,405 | 0.23% | N.A. |
| 67.Wipro Ltd | 28,679,832 | 0.21% | N.A. |
| 68.Ambuja Cements Ltd | 27,512,969 | 0.20% | N.A. |
| 69.Indian Oil Corporation Ltd | 23,076,415 | 0.17% | N.A. |
| 70.UPL Ltd | 22,202,235 | 0.16% | N.A. |
| 71.Bosch Ltd | 21,409,223 | 0.16% | N.A. |
| 72.Bank of Baroda | 19,687,767 | 0.15% | N.A. |
| 73.L&T Finance Holdings Limited | 18,493,920 | 0.14% | N.A. |
| 74.Bharat Electronics Ltd | 18,087,575 | 0.13% | N.A. |
| 75.Federal Bank Ltd | 17,822,551 | 0.13% | N.A. |
| 76.Siemens Ltd | 16,534,454 | 0.12% | N.A. |
| 77.Oracle Financial Services Software Ltd | 16,080,944 | 0.12% | N.A. |
| 78.Hindustan Zinc Ltd | 14,970,118 | 0.11% | N.A. |
| 79.Punjab National Bank | 12,359,691 | 0.09% | N.A. |
| 80.United Spirits Ltd. | 10,782,300 | 0.08% | N.A. |
| 81.Oil India Ltd | 10,623,585 | 0.08% | N.A. |
| 82.Tata Motors Limited DVR | 10,580,176 | 0.08% | N.A. |
| 83.Rural Electrification Corporation Ltd | 9,334,961 | 0.07% | N.A. |
| Equity Instruments Total | 12,922,326,811 | 95.93% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. ICICI Prudential Liquid - Direct Plan - Growth | 575,603,000 | 4.27% | AAA |
| Money Market Instruments Total | 575,603,000 | 4.27% | |
| Cash/Cash Equivalent & Net Current Assets | (27,822,344) | -0.21% | |
| Grand Total | 13,470,107,467 | 100.00% | |
| Average Maturity of Portfolio (in yrs) | N.A. | | |
| Modified Duration (in yrs) | N.A. | | |
| Yield to Maturity (%) (annualised) (at market price) | N.A. | | |
| Credit Rating Exposure | | | |
| Central Government Securities | - | - | |
| State Development Loans | - | - | |
| AAA / equivalent | - | - | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | - | - | |
| AA / equivalent | - | - | |
| AA- / equivalent | - | - | |
| A+ / equivalent | - | - | |
| A / equivalent | - | - | |
| A- / equivalent | - | - | |
| BBB+ / equivalent | - | - | |
| BBB / equivalent | - | - | |
| BBB- / equivalent | - | - | |
| Lower (Below Investment Grade) (out of above Net NPA) | - | - | |
| TOTAL | - | - | |
| Bank FD | - | - | |
| Equity | 12,922,326,811 | 95.93% | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 575,603,000 | 4.27% | |
| Cash / cash equivalent net current assets | (27,822,344) | -0.21% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 13,470,107,467 | 100.00% | |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|------------------------|--|-----------------|
| Units Outstanding NAV* | 644,249,534 20.9082 | | |
| Notes: a. Total NPAs provided for and its percentage to NAV b. Total value and percentage of illiquid equity shares c. NAV at March 31,2018 d. NAV at September 30,2018* e. Total outstanding exposure in derivative instruments at September 30, 2018 f. Total 'Infrastructure investments' September 30, 2018 | | - - 19.5764 20.9082 - - | |

* 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER I

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

| Sr No | Particulars | Scheme E Tier I | |
|-------|--|--|--|
| | | September 30, 2018 | September 30, 2017 |
| 1 | NAV per unit (₹) I Open High Low End @ | 19.5764 22.7239 19.6921 20.9082 | 17.5602 19.7646 17.5105 18.9787 |
| 2 | Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II | 134,701.07 124,211.08 | 66,022.83 57,638.93 |
| 3 | Gross income as % of AAuM III | 5.43% | 7.17% |
| 4 | Expense ratio | | |
| a | Total expense as % of AAuM (scheme wise) IV | 0.01% | 0.01% |
| b | Management fee as % of AAuM (scheme wise) V | 0.01% | 0.01% |
| 5 | Net income as % of AAuM VI | 5.35% | 7.06% |
| 6 | Portfolio turnover ratio VII | 3.78% | 7.99% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year Benchmark VIII | 10.17% 11.17% | 16.30% 15.57% |
| b | Since inception Benchmark VIII | 109.08% 103.13% | 89.79% 82.56% |
| c | Compound annualised yield (%) IX Last 1 year Last 2 year Last 3 year Since launch of the scheme | 10.17% 13.19% 12.72% 15.34% | 16.30% 14.01% 9.59% 16.63% |
| | Launch Date | August 01, 2013 | |
| I | NAV = (Market value of investment 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)) | | |
| II | AAuM = Average daily net assets | | |
| III | Gross income = Total Income as per Revenue Account | | |
| IV | Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss | | |
| V | Management fee as % of AAuM is annualised | | |
| VI | Net income = Surplus / Deficit as per Revenue Account | | |
| VII | Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management | | |
| VIII | Post changes in the PFRDA investment regulation vide circular No PFRDA/2015/PFM/08 in September 2015; company has changed the fund management strategy of the equity schemes. Due to this change, the benchmark of the scheme has been changed from Nifty 50 to Nifty 100 TRI effective from October 01, 2015. hence since inception returns is not comparable with Benchmark returns. The benchmark return mentioned above represents the return of existing scheme benchmark, which is Nifty 100 TRI . | | |
| IX | Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ - 1 (where n=365/no. of days) @ 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018. | | |



NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

**Un-audited Financial Statements for the half year
ended September 30, 2018**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II**

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme E Tier II | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Liabilities | | | |
| Unit Capital | 1 | 294,097,388 | 136,720,406 |
| Reserves & Surplus | 2 | 236,942,406 | 87,821,189 |
| Current Liabilities and Provisions | 3 | 3,292,709 | 3,746,423 |
| Total | | 534,332,503 | 228,288,018 |
| Assets | | | |
| Investments | 4 | 532,423,797 | 223,085,550 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 1,908,706 | 5,202,468 |
| Total | | 534,332,503 | 228,288,018 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6-3) | | 531,039,794.00 | 224,541,595 |
| (b) Number of units outstanding | | 29,409,739 | 13,672,041 |
| (c) NAV per unit (a)/(b) (₹)* | | 18.0565 | 16.4234 |
| Significant accounting policies and notes to accounts | 7 | | |

* 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018.

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme E Tier II | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Income | | | |
| Dividend | | 3,329,972 | 1,416,560 |
| Profit on sale/redemption of investments | | 4,548,010 | 1,547,689 |
| Unrealised gain on appreciation in investments | | 9,235,793 | 8,714,639 |
| Other income | | | |
| - Miscellaneous Income | | 283 | - |
| Total Income (A) | | 17,114,058 | 11,678,888 |
| Expenses & Losses | | | |
| Loss on sale/redemption of investments | | 291,218 | 112,846 |
| Management fees (including Goods and Service Tax / Service Tax) | | 25,675 | 10,119 |
| NPS Trust fees | | 10,879 | 8,667 |
| Custodian fees | | 7,266 | 3,236 |
| CRA fees | | 67,003 | 30,924 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (67,003) | (30,924) |
| Depository and settlement charges | | 1,030 | 410 |
| Total Expenditure (B) | | 336,068 | 135,278 |
| Surplus/(Deficit) for the year (A-B = C) | | 16,777,990 | 11,543,610 |
| Less: Amount transferred to Unrealised appreciation account | | (9,235,793) | (8,714,639) |
| Less: Amount transferred to General Reserve | | (7,542,197) | (2,828,971) |
| Amount carried forward to Balance Sheet | | - | - |
| Significant accounting policies and notes to accounts | 7 | | |

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

Schedules forming part of the un-audited half yearly financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme E Tier II | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Initial capital | | |
| <u>Unit capital</u> | | |
| Outstanding units at the beginning of the period | 195,334,803 | 80,251,831 |
| Add :Units issued during the period | 137,935,749 | 71,155,518 |
| Less: Units redeemed during the period | (39,173,164) | (14,686,943) |
| Outstanding at the end of the period | 294,097,388 | 136,720,406 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 19,533,480 | 8,025,183 |
| Add :Units issued during the period | 13,793,575 | 7,115,552 |
| Less: Units redeemed during the period | (3,917,316) | (1,468,693) |
| Outstanding Units at the end of the period | 29,409,739 | 13,672,041 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme E Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Unit premium reserve | | |
| Opening balance | 106,054,232 | 27,665,667 |
| Add: Premium on Units issued | 117,544,799 | 43,954,389 |
| Less: Premium on Units redeemed | (33,171,689) | (9,143,741) |
| Closing balance | 190,427,342 | 62,476,315 |
| General Reserve | | |
| Opening balance | 8,498,934 | 1,933,166 |
| Add/(Less): Transfer from/(to) Revenue Account | 7,542,197 | 2,828,971 |
| Closing balance | 16,041,131 | 4,762,137 |
| Unrealised Appreciation Reserve | | |
| Opening balance | 21,238,140 | 11,868,098 |
| Add/(Less): Transfer from/(to) Revenue Account | 9,235,793 | 8,714,639 |
| Closing balance | 30,473,933 | 20,582,737 |
| Total | 236,942,406 | 87,821,189 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme E Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Current liabilities & Provision | | |
| Sundry creditors for expenses | 23,891 | 17,463 |
| Redemption Payable | 707,194 | 194,984 |
| TDS Payable | 577 | 242 |
| Contracts for purchase of investments | 2,561,047 | 3,533,734 |
| Provisions* | - | - |
| Total | 3,292,709 | 3,746,423 |

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II**

Schedules forming part of the un-audited half yearly financial statements

Schedule 4: Investments (Long Term and Short Term)**(In ₹)**

| Particulars | Scheme E Tier II | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Equity shares | 511,236,797 | 215,497,550 |
| Others - Mutual Fund Units | 21,187,000 | 7,588,000 |
| Total | 532,423,797 | 223,085,550 |

Schedule 5: Deposits**(In ₹)**

| Particulars | Scheme E Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Deposits with scheduled banks | - | - |
| Total | - | - |

Schedule 6: Other current assets**(In ₹)**

| Particulars | Scheme E Tier II | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Balances with banks in current account | 5,748 | 4,845 |
| Contracts for sale of investments | 1,103,905 | 2,832,416 |
| Sundry debtors - Margin Money for Investments | 616,890 | 2,228,866 |
| Application money pending allotment | - | 60,000 |
| Brokerage receivable from PFM | 1,099 | 578 |
| Dividend receivable | 181,064 | 75,763 |
| Total | 1,908,706 | 5,202,468 |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2018

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. 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:

- Recording 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.

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. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply 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, 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 financials have been prepared for SCHEME E TIER II being managed by the Company.

The Company manages eight separate schemes under the two tiered structure (Tier I and II) prescribed under the NPS. The schemes are classified as Scheme E, C, G and A 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

Scheme A – Alternate Investment funds

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 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.

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) effective April 1, 2011. 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 are valued at the daily closing 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.

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.

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 earnings ratios of comparable traded securities and with an appropriate discount for lower liquidity.

1.4 Income Recognition

Dividend Income is recognised on the "Ex-Dividend" date in case of listed equity shares.

Bonus entitled shares are 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.

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.

1.5 Units reconciliation

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

1.6 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 charged investment management fee of 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from August 01, 2014, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

1.7 Trustee fees

Trustee Fees are recognized on daily accrual basis on closing Asset Under Management (AUM) in accordance with circular no. 1/20/2015/NPST dated October 19, 2015.

The Company has started charging Trustee fee of 0.005% per annum, with effect from April 01, 2018 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST/4764 dated March 19, 2018. The Trustee fees charged until March 31, 2018 was 0.01% per annum in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST dated October 19, 2015.

1.8 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.

1.9 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.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

| Particulars | Scheme E Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Uncalled liability on partly paid shares | NIL | NIL |
| Other commitments | NIL | 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 |
| Ms. Vibha Padalkar | Key Management Personnel |
| Mr. Parvez Mulla | Key Management Personnel (w.e.f. September 25 th , 2018) |
| Mr. Sumit Shukla | Key Management Personnel |
| Mr. Fagun Pancholi | Key Management Personnel |
| Mr. Nagesh Pai | Key Management Personnel |

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2018

(In ₹)

| Nature of Transaction | Scheme E Tier II | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees | 25,675 | 10,119 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | Scheme E Tier II | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees payable | 13,543 | 5,633 |

Aggregate investments made in the Associates and group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme E Tier II | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Ltd | Equity | 5,470,138 | 5,438,950 | 858,402 | 1,236,927 |

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme E Tier II | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | Equity | 17,520,360 | 20,662,315 | 7,343,178 | 9,579,239 |

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme E Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 433,975,642 | 172,870,988 |
| Purchase of Investment | 2,271,786,276 | 1,002,081,334 |
| % to average Net Assets Value | 523.48% | 579.67% |
| Sale of Investment | 2,071,555,624 | 912,125,359 |
| % to average Net Assets Value | 477.34% | 527.63% |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme E Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 433,975,642 | 172,870,988 |
| Purchase of Investment | 200,928,276 | 98,900,034 |
| % to average Net Assets Value | 46.30% | 57.21% |
| Sale of Investment | 21,287,978 | 10,538,780 |
| % to average Net Assets Value | 4.91% | 6.10% |

*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:

(In ₹)

| Industry Classification | Scheme E Tier II | | | |
|---|--------------------------|------------------------------|--------------------------|------------------------------|
| | As at September 30, 2018 | | As at September 30, 2017 | |
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Monetary intermediation of commercial / saving / postal banks | 119,074,011 | 22.42% | 55,416,593 | 24.68% |
| Computer programming, consultancy and related activities | 58,807,313 | 11.07% | 16,798,136 | 7.48% |
| Manufacture of refined petroleum products | 50,393,600 | 9.49% | 17,216,270 | 7.67% |
| Manufacture of passenger cars | 26,378,816 | 4.97% | 16,769,906 | 7.47% |
| Construction of Utility Projects | 20,779,754 | 3.91% | 11,357,687 | 5.06% |
| Others (Industries constitute less than 5%) | 235,803,303 | 44.40% | 97,938,958 | 43.62% |
| Mutual Funds | 21,187,000 | 3.99% | 7,588,000 | 3.38% |
| Net Current Assets | (1,384,003) | -0.26% | 1,456,045 | 0.65% |
| Net Asset Value | 531,039,794 | 100.00% | 224,541,595 | 100.00% |

Note :

1) Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.

2.7 Age wise disclosure for Shares/debentures/ others application money pending allotment.

(In ₹)

| Security Name | Asset Type | Ageing | Scheme E Tier II | |
|--|--------------------|------------------|--------------------|--------------------|
| | | | September 30, 2018 | September 30, 2017 |
| ICICI Prudential Liquid - Direct Plan - Growth | Liquid Mutual Fund | Less than 7 Days | NIL | 60,000 |

2.8 Prior Year Comparatives :

The Figures of the previous period have been regrouped / rearranged, wherever applicable, to conform current year's presentation.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|--------------|----------------|-----------------|
| Equity Instruments | | | |
| Shares | | | |
| 1. Reliance Industries Ltd | 46,544,136 | 8.76% | N.A. |
| 2. Infosys Ltd | 31,939,688 | 6.01% | N.A. |
| 3. ITC Ltd | 26,142,450 | 4.92% | N.A. |
| 4. Kotak Mahindra Bank Ltd | 24,601,480 | 4.63% | N.A. |
| 5. ICICI Bank Ltd | 22,320,428 | 4.20% | N.A. |
| 6. Larsen & Toubro Ltd | 20,779,754 | 3.91% | N.A. |
| 7. HDFC Bank Ltd | 20,662,315 | 3.89% | N.A. |
| 8. IndusInd Bank Ltd | 18,844,058 | 3.55% | N.A. |
| 9. Hindustan Unilever Ltd | 16,164,420 | 3.04% | N.A. |
| 10. Tata Consultancy Services Ltd | 15,176,715 | 2.86% | N.A. |
| 11. Maruti Suzuki India Ltd | 13,593,708 | 2.56% | N.A. |
| 12. Mahindra & Mahindra Ltd | 12,785,108 | 2.41% | N.A. |
| 13. State Bank of India | 12,558,150 | 2.36% | N.A. |
| 14. Axis Bank Ltd | 11,743,738 | 2.21% | N.A. |
| 15. UltraTech Cement Ltd | 9,946,878 | 1.87% | N.A. |
| 16. Tata Steel Ltd | 7,934,063 | 1.49% | N.A. |
| 17. Bajaj Finance Ltd | 7,804,800 | 1.47% | N.A. |
| 18. National Thermal Power Corporation Ltd | 7,549,963 | 1.42% | N.A. |
| 19. Sun Pharmaceuticals Industries Ltd | 7,447,838 | 1.40% | N.A. |
| 20. Asian Paints (India) Ltd | 6,983,820 | 1.32% | N.A. |
| 21. Vedanta Ltd | 6,852,850 | 1.29% | N.A. |
| 22. HCL Technologies Ltd | 6,472,410 | 1.22% | N.A. |
| 23. Hero Motocorp Ltd | 6,453,150 | 1.22% | N.A. |
| 24. Zee Entertainment Enterprises Ltd | 6,096,540 | 1.15% | N.A. |
| 25. Cipla Ltd | 6,082,665 | 1.15% | N.A. |
| 26. Housing Development Finance Corporation Ltd | 5,438,950 | 1.02% | N.A. |
| 27. Yes Bank Ltd | 5,234,025 | 0.99% | N.A. |
| 28. Tech Mahindra Ltd | 5,218,500 | 0.98% | N.A. |
| 29. Bharati Airtel Ltd | 5,112,105 | 0.96% | N.A. |
| 30. Shree Cements Ltd | 5,067,675 | 0.95% | N.A. |
| 31. Tata Motors Ltd | 4,988,510 | 0.94% | N.A. |
| 32. Oil & Natural Gas Corporation Ltd | 4,926,160 | 0.93% | N.A. |
| 33. Eicher Motors Ltd | 4,837,080 | 0.91% | N.A. |
| 34. Bajaj Finserv Ltd | 4,804,960 | 0.90% | N.A. |
| 35. Havells India Ltd | 3,953,425 | 0.74% | N.A. |
| 36. Bharat Petroleum Corporation Ltd | 3,872,453 | 0.73% | N.A. |
| 37. Shriram Transport Finance Co. Ltd | 3,625,493 | 0.68% | N.A. |
| 38. Adani Ports And Special Economic Zone Ltd | 3,617,900 | 0.68% | N.A. |
| 39. Power Grid Corporation of India Ltd | 3,504,240 | 0.66% | N.A. |
| 40. Dabur India Ltd | 3,479,235 | 0.66% | N.A. |
| 41. Gas Authority of India Ltd | 3,259,400 | 0.61% | N.A. |
| 42. Dr Reddys Laboratories Ltd | 3,163,313 | 0.60% | N.A. |
| 43. Motherson Sumi Systems Ltd | 3,158,640 | 0.59% | N.A. |
| 44. Coal India Ltd | 3,155,063 | 0.59% | N.A. |
| 45. Hindustan Petroleum Corporation Ltd | 3,092,835 | 0.58% | N.A. |
| 46. Grasim Industries Ltd | 3,013,425 | 0.57% | N.A. |
| 47. Godrej Consumer Products Ltd | 2,805,573 | 0.53% | N.A. |
| 48. Petronet LNG Ltd | 2,640,813 | 0.50% | N.A. |
| 49. Exide Industries Ltd | 2,521,775 | 0.47% | N.A. |
| 50. Lupin Ltd | 2,432,565 | 0.46% | N.A. |
| 51. Nestle India Limited | 2,424,913 | 0.46% | N.A. |
| 52. Cholamandalam Investment & Finance Company Ltd | 2,391,838 | 0.45% | N.A. |
| 53. Cadila Healthcare Ltd | 2,334,998 | 0.44% | N.A. |
| 54. Britannia Industries Ltd | 2,329,400 | 0.44% | N.A. |
| 55. Cummins India Ltd | 2,322,195 | 0.44% | N.A. |
| 56. ICICI Prudential Life Insurance Company Limited | 2,319,563 | 0.44% | N.A. |
| 57. Bajaj Auto Ltd | 2,284,333 | 0.43% | N.A. |
| 58. MRF Ltd | 2,225,949 | 0.42% | N.A. |
| 59. Hindalco Industries Ltd | 2,089,815 | 0.39% | N.A. |
| 60. Bharti Infratel Ltd | 1,932,683 | 0.36% | N.A. |
| 61. Mahindra & Mahindra Financial Services Ltd | 1,680,840 | 0.32% | N.A. |
| 62. Indraprastha Gas Ltd | 1,554,880 | 0.29% | N.A. |
| 63. RBL Bank Ltd | 1,407,725 | 0.27% | N.A. |
| 64. TVS Motor Company Ltd | 1,232,110 | 0.23% | N.A. |
| 65. LIC Housing Finance Ltd | 1,091,084 | 0.21% | N.A. |
| 66. Ashok Leyland Ltd | 1,054,035 | 0.20% | N.A. |
| 67. Wipro Ltd | 973,944 | 0.18% | N.A. |
| 68. Ambuja Cements Ltd | 909,401 | 0.17% | N.A. |
| 69. UPL Ltd | 795,167 | 0.15% | N.A. |
| 70. Indian Oil Corporation Ltd | 756,629 | 0.14% | N.A. |
| 71. Bosch Ltd | 717,628 | 0.14% | N.A. |
| 72. L&T Finance Holdings Limited | 706,320 | 0.13% | N.A. |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|--------------------|----------------|-----------------|
| 73. Bank of Baroda | 655,805 | 0.12% | N.A. |
| 74. Federal Bank Ltd | 625,342 | 0.12% | N.A. |
| 75. Bharat Electronics Ltd | 621,843 | 0.12% | N.A. |
| 76. Oracle Financial Services Software Ltd | 591,384 | 0.11% | N.A. |
| 77. Siemens Ltd | 544,406 | 0.10% | N.A. |
| 78. Hindustan Zinc Ltd | 536,941 | 0.10% | N.A. |
| 79. Punjab National Bank | 420,945 | 0.08% | N.A. |
| 80. Tata Motors Limited DVR | 351,049 | 0.07% | N.A. |
| 81. Oil India Ltd | 340,742 | 0.06% | N.A. |
| 82. Rural Electrification Corporation Ltd | 319,644 | 0.06% | N.A. |
| 83. United Spirits Ltd. | 288,008 | 0.05% | N.A. |
| Equity Instruments Total | 511,236,797 | 96.27% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. ICICI Prudential Liquid - Direct Plan - Growth | 21,187,000 | 3.99% | |
| Money Market Instruments Total | 21,187,000 | 3.99% | |
| Cash/Cash Equivalent & Net Current Assets | (1,384,003) | -0.26% | |
| Grand Total | 531,039,794 | 100.00% | |
| Average Maturity of Portfolio (in yrs) | N.A. | | |
| Modified Duration (in yrs) | N.A. | | |
| Yield to Maturity (%) (annualised) (at market price) | N.A. | | |
| Credit Rating Exposure | | | |
| Central Government Securities | - | - | |
| State Development Loans | - | - | |
| AAA / equivalent | - | - | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | - | - | |
| AA / equivalent | - | - | |
| AA- / equivalent | - | - | |
| A+ / equivalent | - | - | |
| A / equivalent | - | - | |
| A- / equivalent | - | - | |
| BBB+ / equivalent | - | - | |
| BBB / equivalent | - | - | |
| BBB- / equivalent | - | - | |
| Lower (Below Investment Grade) (out of above Net NPA) | - | - | |
| TOTAL | - | - | |
| Bank FD | - | - | |
| Equity | 511,236,797 | 96.27% | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 21,187,000 | 3.99% | |
| Cash / cash equivalent net current assets | (1,384,003) | -0.26% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 531,039,794 | 100.00% | |
| Units Outstanding | 29,409,739 | | |
| NAV* | 18.0565 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2018 | | 16.9517 | |
| d. NAV at September 30,2018* | | 18.0565 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2018 | | - | |
| f. Total 'Infrastructure investments' September 30, 2018 | | - | |

* 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME E TIER II

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

| Sr No | Particulars | Scheme E Tier II | |
|-------|--|--|--|
| | | September 30, 2018 | September 30, 2017 |
| 1 | NAV per unit (₹) I Open High Low End @ | 16.9517 19.6703 17.0464 18.0566 | 15.1671 17.1050 15.1126 16.4234 |
| 2 | Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II | 5,310.40 4,339.76 | 2,245.42 1,728.71 |
| 3 | Gross income as % of AAuM III | 3.94% | 6.76% |
| 4 | Expense ratio | | |
| a | Total expense as % of AAuM (scheme wise) IV | 0.01% | 0.01% |
| b | Management fee as % of AAuM (scheme wise) V | 0.01% | 0.01% |
| 5 | Net income as % of AAuM VI | 3.87% | 6.68% |
| 6 | Portfolio turnover ratio VII | 4.91% | 6.10% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year Benchmark VIII | 9.94% 11.17% | 16.45% 15.57% |
| b | Since inception IX Benchmark VIII | 80.57% 103.13% | 64.23% 82.56% |
| c | Compound annualised yield (%) X Last 1 year Last 2 year Last 3 year Since launch of the scheme | 9.94% 13.15% 12.87% 12.12% | 16.45% 14.37% 9.89% 12.65% |
| | Launch Date | August 01, 2013 | |
| I | NAV = (Market value of investment 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)) | | |
| II | AAuM = Average daily net assets | | |
| III | Gross income = Total Income as per Revenue Account | | |
| IV | Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss | | |
| V | Management fee as % of AAuM is annualised | | |
| VI | Net income = Surplus / Deficit as per Revenue Account | | |
| VII | Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management | | |
| VIII | Post changes in the PFRDA investment regulation vide circular No PFRDA/2015/PFM/08 in September 2015; company has changed the fund management strategy of the equity schemes. Due to this change, the benchmark of the scheme has been changed from Nifty 50 to Nifty 100 TRI effective from October 01, 2015. hence since inception returns is not comparable with Benchmark returns. The benchmark return mentioned above represents the return of existing scheme benchmark, which is Nifty 100 TRI . | | |
| IX | The investments into the mandated assets of the fund started in March 2014. From the date of inception of the fund till March 2014 the inflows were invested in liquid schemes of mutual funds. As per prevailing fund objective of Tier II Scheme E, the fund could only invest in equity securities through Nifty 50 Index basket. There was a minimum threshold amount for investment in Nifty 50 basket and till the time investable amount reaches the threshold, it was invested temporarily in liquid and money market schemes of mutual funds. Due to small size of the fund this has affected the fund performance. Hence, Fund performance since inception of the scheme is not comparable with the benchmark. | | |
| X | Compounded annualised yield is to be calculated based on following formula: $= (1 + \text{cumulative return})^n - 1$ (where n=365/no. of days) | | |
| | @ 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018. | | |



NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

**Un-audited Financial Statements for the half year
ended September 30, 2018**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I**

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme C Tier I | |
|--|----------|----------------------|----------------------|
| | | September 30, 2018 | September 30, 2017 |
| Liabilities | | | |
| Unit Capital | 1 | 5,140,733,618 | 2,568,482,202 |
| Reserves & Surplus | 2 | 3,105,163,980 | 1,493,359,742 |
| Current Liabilities and Provisions | 3 | 4,470,595 | 2,353,942 |
| Total | | 8,250,368,193 | 4,064,195,886 |
| Assets | | | |
| Investments | 4 | 7,960,490,570 | 3,915,222,533 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 289,877,623 | 148,973,353 |
| Total | | 8,250,368,193 | 4,064,195,886 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 8,245,897,598 | 4,061,841,944 |
| (b) Number of units outstanding | | 514,073,362 | 256,848,220 |
| (c) NAV per unit (a)/(b) (₹)* | | 16.0403 | 15.8141 |
| Significant accounting policies and notes to accounts | 7 | | |

* 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme C Tier I | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Income | | | |
| Interest | | 300,327,943 | 137,159,461 |
| Profit on sale/redemption of investments | | 6,263,998 | 3,514,042 |
| Unrealised gain on appreciation in investments | | - | 16,712,173 |
| Other income | | | |
| - Miscellaneous Income | | 2,159 | - |
| Total Income (A) | | 306,594,100 | 157,385,676 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | 275,666,968 | - |
| Loss on sale/redemption of investments | | 32,967,445 | 25,401 |
| Management fees (including Goods and Service Tax / Service Tax) | | 437,068 | 204,460 |
| NPS Trust fees | | 185,198 | 175,305 |
| Custodian fees | | 134,736 | 65,427 |
| CRA fees | | 4,317,930 | 2,669,544 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (4,317,930) | (2,669,544) |
| Depository and settlement charges | | 19,733 | 8,196 |
| Total Expenditure (B) | | 309,411,148 | 478,789 |
| Surplus/(Deficit) for the year (A-B = C) | | (2,817,048) | 156,906,887 |
| Less: Amount transferred to Unrealised appreciation account | | 1,871 | (16,712,173) |
| Less: Amount transferred to General Reserve | | 2,815,177 | (140,194,714) |
| Amount carried forward to Balance Sheet | | - | - |
| Significant accounting policies and notes to accounts | 7 | | |

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

Schedules forming part of the un-audited half yearly financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme C Tier I | |
|---|----------------------|----------------------|
| | September 30, 2018 | September 30, 2017 |
| Initial capital | | |
| Unit capital | | |
| Outstanding at the beginning of the period | 3,964,703,627 | 1,909,945,530 |
| Add :Units issued during the period | 1,311,378,243 | 712,644,898 |
| Less: Units redeemed during the period | (135,348,252) | (54,108,226) |
| Outstanding at the end of the period | 5,140,733,618 | 2,568,482,202 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 396,470,362.80 | 190,994,553 |
| Add :Units issued during the period | 131,137,824 | 71,264,490 |
| Less: Units redeemed during the period | (13,534,825) | (5,410,823) |
| Outstanding Units at the end of the period | 514,073,362 | 256,848,220 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme C Tier I | |
|--|----------------------|----------------------|
| | September 30, 2018 | September 30, 2017 |
| Unit premium reserve | | |
| Opening balance | 1,933,841,632 | 753,632,602 |
| Add: Premium on Units issued | 783,775,989 | 391,207,923 |
| Less: Premium on Units redeemed | (80,999,433) | (29,579,072) |
| Closing balance | 2,636,618,188 | 1,115,261,453 |
| General Reserve | | |
| Opening balance | 471,360,969 | 177,022,348 |
| Add/(Less): Transfer from/(to) Revenue Account | (2,815,177) | 140,194,714 |
| Closing balance | 468,545,792 | 317,217,062 |
| Unrealised Appreciation Reserve | | |
| Opening balance | 1,871 | 44,169,054 |
| Add: Adjustment for Previous years unrealised appreciation reserve | - | - |
| Add/(Less): Transfer from/(to) Revenue Account | (1,871) | 16,712,173 |
| Closing balance | - | 60,881,227 |
| Total | 3,105,163,980 | 1,493,359,742 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme C Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Current liabilities | | |
| Sundry creditors for expenses | 399,525 | 331,185 |
| Redemption Payable | 4,061,964 | 2,018,443 |
| TDS Payable | 9,106 | 4,314 |
| Provisions* | - | - |
| Total | 4,470,595 | 2,353,942 |

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I**

Schedules forming part of the un-audited half yearly financial statements

Schedule 4: Investments (Long Term and Short Term)**(In ₹)**

| Particulars | Scheme C Tier I | |
|--|----------------------|----------------------|
| | September 30, 2018 | September 30, 2017 |
| Debentures and Bonds Listed/Awaiting Listing | 7,763,256,571 | 3,782,720,533 |
| Others - Mutual Fund Units | 197,233,999 | 132,502,000 |
| Total | 7,960,490,570 | 3,915,222,533 |

Schedule 5: Deposits**(In ₹)**

| Particulars | Scheme C Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Deposits with scheduled banks | - | - |
| Total | - | - |

Schedule 6: Other current assets**(In ₹)**

| Particulars | Scheme C Tier I | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Balances with banks in current account | 25,181 | 25,046 |
| Outstanding and accrued income | 289,848,442 | 148,946,307 |
| Brokerage receivable from PFM | 4,000 | 2,000 |
| Total | 289,877,623 | 148,973,353 |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2018

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. 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.

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. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply 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, 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 financials have been prepared for SCHEME C TIER I being managed by the Company.

The Company manages eight separate schemes under the two tiered structure (Tier I and II) prescribed under the NPS. The schemes are classified as Scheme E, C, G and A 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

Scheme A – Alternate Investment funds

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 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.

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) effective April 1, 2011. 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:

Debt securities (other than government securities) with a residual maturity over/upto 60 days are valued at National Stock Exchange (NSE) weighted average traded price on that day.

Securities not traded at a stock exchange:

Non-traded debt securities (i.e. securities not traded on a day) with a residual maturity over 60 days are valued on a yield to maturity basis by using the benchmark rate / matrix of spread over risk free benchmark yield obtained from CRISIL and ICRA.

Non-traded debt securities (i.e. securities not traded on a day) with a residual maturity upto 60 days are valued at last valuation price plus the difference between redemption price and last valuation price, spread uniformly over the remaining maturity period of the instrument.

Valuation of securities having call and/or Put options:

- a) Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- b) Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- c) 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.
- d) 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.

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.

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)

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

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 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.

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/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) are recognised on receipt and other incomes of miscellaneous nature are 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.

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 August 01, 2014, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

1.8 Trustee fees

Trustee Fees are recognized on daily accrual basis on closing Asset Under Management (AUM) in accordance with circular no. 1/20/2015/NPST dated October 19, 2015.

The Company has started charging Trustee fee of 0.005% per annum, with effect from April 01, 2018 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST/4764 dated March 19, 2018. The Trustee fees charged until March 31, 2018 was 0.01% per annum in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST dated October 19, 2015.

1.9 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.

2 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.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

| Particulars | Scheme C Tier I | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Uncalled liability on partly paid shares | NIL | NIL |
| Other commitments | NIL | 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 |
| Ms. Vibha Padalkar | Key Management Personnel |
| Mr. Parvez Mulla | Key Management Personnel (w.e.f. September 25 th , 2018) |
| Mr. Sumit Shukla | Key Management Personnel |
| Mr. Fagun Pancholi | Key Management Personnel |
| Mr. Nagesh Pai | Key Management Personnel |

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2018

(In ₹)

| Nature of Transaction | Scheme C Tier I | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees | 437,068 | 204,460 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | Scheme C Tier I | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees payable | 220,921 | 106,205 |

Aggregate investments made in the Associates and group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme C Tier I | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Ltd | NCD | 158,950,370 | 150,189,270 | 161,926,880 | 163,980,109 |

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme C Tier I | | | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | As at September 30, 2018 | | As at September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | | NIL | NIL | NIL | NIL |

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme C Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 7,387,694.974 | 3,496,515,599 |
| Purchase of Investment | 22,863,783.734 | 9,159,317,160 |
| % to average Net Assets Value | 309.48% | 261.96% |
| Sale of Investment | 20,638,020.811 | 8,069,481,084 |
| % to average Net Assets Value | 279.36% | 230.79% |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme C Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 7,387,694,974 | 3,496,515,599 |
| Purchase of Investment | 3,322,024,335 | 1,175,287,760 |
| % to average Net Assets Value | 44.97% | 33.61% |
| Sale of Investment | 1,286,510,463 | 111,362,063 |
| % to average Net Assets Value | 17.41% | 3.18% |

*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:

(In ₹)

| Industry Classification | As at September 30, 2018 | | As at September 30, 2017 | |
|--|--------------------------|------------------------------|--------------------------|------------------------------|
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Other credit granting | 2,963,952,201 | 35.94% | 1,219,969,973 | 30.03% |
| Monetary intermediation of commercial / saving / postal banks | 940,424,692 | 11.40% | 526,241,874 | 12.96% |
| Activities of specialized institutions granting credit for house purchases | 798,431,220 | 9.68% | 546,479,053 | 13.45% |
| Transmission of Electric Energy | 670,441,468 | 8.13% | 307,145,848 | 7.56% |
| Service activities incidental to water transportation | 507,236,500 | 6.15% | 345,783,930 | 8.51% |
| Electric Power Generation, Transmission and Distribution | 442,459,414 | 5.37% | 339,081,142 | 8.35% |
| Activity of commission agents dealing in wholesale trade in agriculture | 398,756,503 | 4.84% | 230,158,551 | 5.67% |
| Others (Industries constitute less than 5%) | 1,041,554,572 | 12.63% | 267,860,161 | 6.59% |
| Mutual Funds | 197,234,000 | 2.39% | 132,502,001 | 3.26% |
| Net Current Assets | 285,407,028 | 3.46% | 146,619,411 | 3.61% |
| Net Asset Value | 8,245,897,598 | 100.00% | 4,061,841,944 | 100.00% |

Note :

1. Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.

2.7 Age wise disclosure for Shares/debentures/ others application money pending allotment.

(In ₹)

| Security Name | Asset Type | Ageing | Scheme C Tier I | |
|---------------|------------|--------|--------------------|--------------------|
| | | | September 30, 2018 | September 30, 2017 |
| | NIL | NIL | NIL | NIL |

2.8 Prior Year Comparatives :

The Figures of the previous period have been regrouped / rearranged, wherever applicable, to conform current year's presentation.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|--------------|----------------|-----------------|
| Debt Instruments | | | |
| PSU/PFI Bonds | | | |
| 1. 9.95% Food Corporation of India Ltd Mat 07-Mar-2022 | 295,552,600 | 3.58% | AAA |
| 2. 9.34% Rural Electrification Corp Ltd Mat 25-Aug-2024 | 212,760,328 | 2.58% | AAA |
| 3. 8.60% NABARD NCD Mat 31-Jan-2022 | 198,971,800 | 2.41% | AAA |
| 4. 7.74% Power Finance Corporation Ltd.Mat 30-Jan-2028 | 145,404,554 | 1.76% | AAA |
| 5. 8.22% NABARD NCD Mat 25-Feb-2028 | 140,766,813 | 1.71% | AAA |
| 6. 7.25% Nuclear Power Corp. Mat 15-Dec-2031 (SR-XXXIII TRCH-E) | 131,555,662 | 1.60% | AAA |
| 7. 8.49% NTPC NCD Mat 25-Mar-2025 | 124,051,582 | 1.50% | AAA |
| 8. 9.02% Rural Electrification Corp Ltd Mat 19-Nov-2022 | 117,512,718 | 1.43% | AAA |
| 9. 9.39% Power Finance Corporation Ltd.Mat 27-Aug-2024 | 115,501,983 | 1.40% | AAA |
| 10. 8.14% Nuclear Power Corp. Mat 25-Mar-2026(Tranche A) | 110,564,212 | 1.34% | AAA |
| 11. 9.30% Power Grid NCD Mat 04-Sep-2024 | 103,208,466 | 1.25% | AAA |
| 12. 8.93% Power Grid NCD Mat 20-Oct-2021 | 102,083,028 | 1.24% | AAA |
| 13. 9.30% Power Grid NCD Mat 28-Jun-2024 | 101,731,981 | 1.23% | AAA |
| 14. 8.47% NABARD NCD Mat 31-August-2033 | 98,106,661 | 1.19% | AAA |
| 15. 8.15% EXIM Bank NCD Mat 21-Jan-2030 | 94,945,796 | 1.15% | AAA |
| 16. 7.83%IRFC NCD Mat 21-Mar-2027 | 93,926,139 | 1.14% | AAA |
| 17. 7.27% IRFC NCD Mat 15-June-2027 | 87,715,883 | 1.06% | AAA |
| 18. 7.55% Power Grid NCD Mat 21-Sep-2031 | 85,582,798 | 1.04% | AAA |
| 19. 8.65% Power Finance Corporation Ltd.Mat-28-Dec-2024 | 64,246,227 | 0.78% | AAA |
| 20. 8.80% Food Corporation of India Ltd Mat 22-Mar-2028 | 55,684,430 | 0.68% | AAA |
| 21. 8.50% NHPC NCD Mat 14-July-2024 | 52,075,425 | 0.63% | AAA |
| 22. 9.09% IRFC Ltd NCD Mat 31-Mar-2026 (75th Series) | 51,067,484 | 0.62% | AAA |
| 23. 9.35% Power Grid NCD Mat 29-Aug-2024. | 51,019,921 | 0.62% | AAA |
| 24. 9.30% EXIM Bank NCD Mat 11-May-2022 | 50,670,350 | 0.61% | AAA |
| 25. 8.18% EXIM Bank NCD Mat 07-Dec-2025 | 50,084,927 | 0.61% | AAA |
| 26. 8.85% Power Grid NCD Mat 19-Oct-2024 | 49,910,800 | 0.61% | AAA |
| 27. 8.85% NHPC NCD Mat 11-Feb-2024 | 49,901,379 | 0.61% | AAA |
| 28. 8.84% Power Finance Corporation Ltd.Mat-04-Mar-2023 | 49,748,550 | 0.60% | AAA |
| 29. 8.70% NHPC NCD Mat 11-Feb-2024. | 49,591,071 | 0.60% | AAA |
| 30. 8.54% NHPC NCD Mat 26-November-2021 | 49,570,606 | 0.60% | AAA |
| 31. 8.50% NHPC NCD Mat 14-July-2025 | 49,019,114 | 0.59% | AAA |
| 32. 8.40% Nuclear Power Corp. Mat 28-Nov-2029 (SR-XXIX TRCH-E) | 49,012,413 | 0.59% | AAA |
| 33. 8.27% Rural Electrification Corp Ltd Mat 06-Feb-2025 | 48,532,931 | 0.59% | AAA |
| 34. 7.99% Power Finance Corporation Ltd.Mat 20-Dec-2022 | 48,484,167 | 0.59% | AAA |
| 35. 7.50% Power Finance Corporation Ltd.Mat 16-Aug-2021 | 48,336,847 | 0.59% | AAA |
| 36. 8.09% Rural Electrification Corp Ltd Mat 21-march-2028 | 48,138,036 | 0.58% | AAA |
| 37. 8.06% Rural Electrification Corp Ltd Mat 27-Mar-2028` | 48,041,529 | 0.58% | AAA |
| 38. 7.47% Power Finance Corporation Ltd.Mat 16-Sep-2021 | 48,032,250 | 0.58% | AAA |
| 39. 7.24% Rural Electrification Corp Ltd NCD Mat 21-Oct-2021 | 47,917,943 | 0.58% | AAA |
| 40. 7.24%IRFC NCD Mat 08-Nov-2021 | 47,897,937 | 0.58% | AAA |
| 41. 8.01% Rural Electrification Corp Ltd Mat 24-Mar-2028 | 47,878,301 | 0.58% | AAA |
| 42. 8.62% Food Corporation of India Ltd Mat 22-Mar-2023 | 47,519,473 | 0.58% | AAA |
| 43. 7.10% Power Finance Corporation Ltd.Mat-08-Aug-2022 | 47,068,900 | 0.57% | AAA |
| 44. 7.52% NHPC NCD Mat 06-JUNE-2025 | 46,632,434 | 0.57% | AAA |
| 45. 9.60% EXIM Bank NCD Mat 07-FEB-2024 | 46,302,926 | 0.56% | AAA |
| 46. 8.40% Power Grid NCD Mat 27-May-2024 | 45,982,383 | 0.56% | AAA |
| 47. 7.40% Power Finance Corporation Ltd.Mat 30-Sep-2021. | 45,274,285 | 0.55% | AAA |
| 48. 7.25% Nuclear Power Corp. Mat 15-Dec-2029 (SR-XXXIII TRCH-C) | 44,939,968 | 0.54% | AAA |
| 49. 8.49% NHPC NCD Mat 26-November-2024 | 44,161,817 | 0.54% | AAA |
| 50. 7.25% Nuclear Power Corp. Mat 15-Dec-2028 (SR-XXXIII TRCH-B) | 42,507,852 | 0.52% | AAA |
| 51. 7.09% Rural Electrification Corp Ltd Mat 17-Oct-2022 | 42,357,145 | 0.51% | AAA |
| 52. 7.20% Power Grid NCD Mat 21-Dec-2021 | 40,107,973 | 0.49% | AAA |
| 53. 8.54% NHPC NCD Mat 26-November-2026. | 32,342,345 | 0.39% | AAA |
| 54. 9.17% NTPC NCD Mat 22-Sep-2024 | 30,381,783 | 0.37% | AAA |
| 55. 8.80% Rural Electrification Corp Ltd Mat 25-Oct-2020 | 29,997,766 | 0.36% | AAA |
| 56. 8.82% Rural Electrification Corp. Ltd. Mat 12-Apr-2023 | 28,778,440 | 0.35% | AAA |
| 57. 8.40% Nuclear Power Corp. Mat 28-Nov-2025 (SR-XXIX TRCH-A) | 28,543,300 | 0.35% | AAA |
| 58. 8.32% Power Grid NCD Mat 23-Dec-2030 | 21,112,216 | 0.26% | AAA |
| 59. 9.30% Power Grid NCD Mat 28-Jun-2026 | 20,436,069 | 0.25% | AAA |
| 60. 8.40% Power Grid NCD Mat 27-May-2029 | 17,423,694 | 0.21% | AAA |
| 61. 8.10% EXIM Bank NCD Mat 19-Nov-2025. | 17,268,210 | 0.21% | AAA |
| 62. 8.38% Power Finance Corporation Ltd.Mat-27-April-2020 | 16,890,481 | 0.20% | AAA |
| 63. 8.50% EXIM Bank Mat 08-Jul-2023 | 16,749,687 | 0.20% | AAA |
| 64. 10.70%IRFC NCD Mat 11-Sep-2023 | 16,194,589 | 0.20% | AAA |
| 65. 8.70% Power Grid NCD Mat 15-Jul-2028 | 14,844,915 | 0.18% | AAA |
| 66. 8.70% Power Finance Corporation Ltd.Mat 14-May-2025 | 13,862,251 | 0.17% | AAA |
| 67. 8.95%IRFC NCD Mat 10-Mar-2025 | 13,159,119 | 0.16% | AAA |
| 68. 8.83% IRFC NCD Mat 14-May-2031 | 13,149,907 | 0.16% | AAA |
| 69. 9.15% EXIM Bank NCD Mat 05-Sep-2022 | 12,102,889 | 0.15% | AAA |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|--------------|----------------|-----------------|
| 70. 9.35% Rural Electrification Corp Ltd Mat 15-Jun-2022 | 10,142,709 | 0.12% | AAA |
| 71. 8.52% Power Finance Corporation Ltd.Mat-09-Dec-2019 | 9,965,856 | 0.12% | AAA |
| 72. 8.80% Power Finance Corporation Ltd. Mat 15-Jan-2025 | 9,952,464 | 0.12% | AAA |
| 73. 8.23% Rural Electrification Corp Ltd Mat 23-Jan-2025 | 9,689,541 | 0.12% | AAA |
| 74. 8.20% Power Finance Corporation Ltd.Mat 10-Mar-2025 | 9,665,865 | 0.12% | AAA |
| 75. 8.14% Nuclear Power Corp. Mat 25-Mar-2028 (Tranche C) | 9,657,582 | 0.12% | AAA |
| 76. 8.75% Power Finance Corporation Ltd. Mat 15-Jun-2025 | 8,968,500 | 0.11% | AAA |
| 77. 8.56% Nuclear Power Corp. Mat 15-Mar-2023 (Tranche C) | 8,960,750 | 0.11% | AAA |
| 78. 8.14% Nuclear Power Corp. Mat 25-Mar-2027 (Tranche B) | 8,708,177 | 0.11% | AAA |
| 79. 8.68%IRFC NCD Mat 29-Nov-2021 | 8,004,439 | 0.10% | AAA |
| 80. 8.85% Power Finance Corporation Ltd.Mat 15-Jun-2030 | 6,987,148 | 0.08% | AAA |
| 81. 8.83% IRFC NCD Mat 14-May-2034 | 6,067,431 | 0.07% | AAA |
| 82. 8.55% Power Finance Corporation Ltd.Mat 09-Dec-2021 | 5,949,094 | 0.07% | AAA |
| 83. 9.75% Rural Electrification Corp Ltd Mat 11-Nov-2021 | 5,116,630 | 0.06% | AAA |
| 84. 8.83% IRFC NCD Mat 14-May-2035 | 5,057,836 | 0.06% | AAA |
| 85. 8.44% Rural Electrification Corp Ltd Mat 04-Dec-2021 | 4,945,098 | 0.06% | AAA |
| 86. 8.40% Nuclear Power Corp. Mat 28-Nov-2026 (SR-XXIX TRCH-B) | 4,913,753 | 0.06% | AAA |
| 87. 4.79% IRFC NCD Mat 04-May-2030 | 4,032,336 | 0.05% | AAA |
| 88. 8.93% Power Grid NCD Mat 20-Oct-2027 | 4,010,048 | 0.05% | AAA |
| 89. 8.93% Power Grid NCD Mat 20-Oct-2020 | 4,009,310 | 0.05% | AAA |
| 90. 8.70% Power Finance Corp Ltd Mat 14-May-2020 | 3,991,334 | 0.05% | AAA |
| 91. 8.25% EXIM Bank NCD Mat 23-Jun-2031 | 3,813,975 | 0.05% | AAA |
| 92. 9.46% Power Finance Corporation Ltd.Mat 01-Aug-2026 | 3,092,903 | 0.04% | AAA |
| 93. 9.48% Rural Electrification Corp Ltd Mat 10-Aug-2021 | 3,044,994 | 0.04% | AAA |
| 94. 8.27% Rural Electrification Corp Ltd Mat 09-Mar-2022 | 2,949,396 | 0.04% | AAA |
| 95. 7.74%IRFC NCD Mat 22-Dec-2020 | 2,947,836 | 0.04% | AAA |
| 96. 8.84% Power Grid NCD Mat 21-Oct-2023 | 2,496,014 | 0.03% | AAA |
| 97. 8.64% Power Grid NCD Mat 08-Jul-2024 | 2,471,635 | 0.03% | AAA |
| 98. 9.18% Nuclear Power Corp. Mat 23-Jan-2028(Tranche D) | 2,062,400 | 0.03% | AAA |
| 99. 9.75% EXIM Bank NCD Mat 04-Oct-2020 | 2,033,972 | 0.02% | AAA |
| 100. 8.93% Power Grid NCD Mat 20-Oct-2028 | 2,006,544 | 0.02% | AAA |
| 101. 8.93% Power Grid NCD Mat 20-Oct-2024 | 2,003,673 | 0.02% | AAA |
| 102. 8.11% Rural Electrification Corp Ltd Mat 07-Oct-2025 | 1,921,184 | 0.02% | AAA |
| 103. 8.50% NHPC NCD Mat 14-July-2023 | 1,477,903 | 0.02% | AAA |
| 104. 9.47% IRFC NCD Mat 10-May-2031 | 1,060,003 | 0.01% | AAA |
| 105. 9.18% Nuclear Power Corp. Mat 23-Jan-2029(Tranche E) | 1,033,345 | 0.01% | AAA |
| 106. 9.20% Power Finance Corp Ltd Mat 07-Jul-2021 | 1,007,712 | 0.01% | AAA |
| 107. 11.15% Rural Electrification Corp Ltd Mat 24-Oct-2018 | 1,002,171 | 0.01% | AAA |
| 108. 8.55% IRFC NCD Mat 15-Jan-2019 | 1,001,580 | 0.01% | AAA |
| 109. 8.64% IRFC NCD Mat 17-May-2021 | 999,609 | 0.01% | AAA |
| 110. 8.83% IRFC NCD Mat 25-Mar-2023 | 997,603 | 0.01% | AAA |
| 111. 8.36% Rural Electrification Corp Ltd Mat 22-SEP-2020 | 992,414 | 0.01% | AAA |
| 112. 7.94% EXIM Bank Mat 22-May-2023 | 964,860 | 0.01% | AAA |
| Private Corporate Bonds | | | |
| 1. 9.30% Shriram Transport Fin NCD Mat 12-July-2023 | 388,640,007 | 4.71% | AA+ |
| 2. 9.10% Capital First Ltd Mat 30-June-2021 | 275,904,415 | 3.35% | AA+ |
| 3. 8.45% Sikka Ports & Terminals Limited NCD Mat 12-Jun-2023 | 256,686,242 | 3.11% | AAA |
| 4. 7.95% LIC Housing Finance Ltd. Mat 29-Jan-2028 Tranch 359 | 195,555,438 | 2.37% | AAA |
| 5. 7.00% Reliance Industries Limited Mat 31-Aug-2022 | 187,978,473 | 2.28% | AAA |
| 6. 7.90% Sikka Ports & Terminals Limited NCD Mat 18-Nov-2026 | 105,750,323 | 1.28% | AAA |
| 7. 9.10% Capital First Ltd Mat 31-May-2021 | 98,555,959 | 1.20% | AA+ |
| 8. 8.75% Kotak Mahindra Prime Ltd NCD Mat 28-Sep-2021 (Series VI) | 98,022,690 | 1.19% | AAA |
| 9. 10.40% Sikka Ports & Terminals Limited NCD Mat 18-Jul-2021 | 97,429,342 | 1.18% | AAA |
| 10. 10% Shriram Transport Fin NCD Mat 13-Nov-2024 | 90,863,500 | 1.10% | AA+ |
| 11. 9.20% Capital First Ltd Mat 22-Jan-2021 | 72,172,247 | 0.88% | AA+ |
| 12. 10.15% Shriram Transport Fin NCD Mat 15-Jul-2021 | 60,589,704 | 0.73% | AA+ |
| 13. 8.89% LIC Housing Finance Ltd. Mat 25-Apr-2023 | 59,778,600 | 0.72% | AAA |
| 14. 9.17% IDFC Bank Ltd NCD Mat 14-Oct-2024 | 57,912,601 | 0.70% | AA+ |
| 15. 8.50% LIC Housing Finance Co. Ltd. Mat 29-Aug-2025 | 55,886,851 | 0.68% | AAA |
| 16. 9.20% Capital First Ltd Mat 29-Jan-2021 | 49,428,244 | 0.60% | AA+ |
| 17. 8.20% HDFC Ltd Mat 29-Jul-2021 | 49,198,892 | 0.60% | AAA |
| 18. 8.44% HDFC Ltd Mat 01-Jun-2026 | 48,759,730 | 0.59% | AAA |
| 19. 7.95% LIC Housing Finance Ltd. Mat 24-Mar-2022 | 48,664,923 | 0.59% | AAA |
| 20. 8.72% Shriram Transport Fin NCD Mat 27-Mar-2023 | 48,190,585 | 0.58% | AA+ |
| 21. 8.55% Bajaj Finance Ltd NCD Mat 26-Apr-2021 | 47,896,093 | 0.58% | AAA |
| 22. 7.98% IDFC Bank Ltd NCD Mat 23-May-2023 | 47,841,125 | 0.58% | AA+ |
| 23. 7.45% LIC Housing Finance Ltd. Mat 17-Oct-2022 | 47,766,450 | 0.58% | AAA |
| 24. 7.42% LIC Housing Finance Ltd. Mat 15-Jul-2022 | 47,718,470 | 0.58% | AAA |
| 25. 7.95% Sikka Ports & Terminals Limited NCD Mat 28-Oct-2026 | 47,370,593 | 0.57% | AAA |
| 26. 8.95% HDFC Ltd Mat 21-Mar-2023 | 46,280,148 | 0.56% | AAA |
| 27. 10.15% Bajaj Finance Ltd NCD Mat 19-Sep-2024 | 43,908,810 | 0.53% | AAA |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|----------------------|----------------|-----------------|
| 28. 7.80% IL&FS Ltd. NCD Mat 30-Nov-2020. | 37,500,000 | 0.45% | D |
| 29. 8.94% Bajaj Finance Ltd NCD Mat 07-Nov-2025 | 36,613,677 | 0.44% | AAA |
| 30. 10.25% Shriram Transport Fin NCD Mat 10-Oct-2024 | 29,631,175 | 0.36% | AA+ |
| 31. 9.30% LIC Housing Finance Ltd. Mat 14-Sep-2022 | 29,392,474 | 0.36% | AAA |
| 32. 9.22% LIC Housing Finance Co. Ltd. Mat 16-Oct-2024 | 28,419,772 | 0.34% | AAA |
| 33. 7.59% LIC Housing Finance Ltd. Mat 14-Oct-2021 | 27,093,733 | 0.33% | AAA |
| 34. 8.95% LIC Housing Finance Co. Ltd. Mat 15-Sep-2020 | 25,065,889 | 0.30% | AAA |
| 35. 9.36% IDFC Bank Ltd NCD Mat 21-Aug-2024 | 22,146,272 | 0.27% | AA+ |
| 36. 9.60% LIC Housing Finance Ltd. Mat 07-Mar-2021 | 20,309,361 | 0.25% | AAA |
| 37. 9.00% LIC Housing Finance Ltd. Mat-23-Nov-2020 | 20,069,388 | 0.24% | AAA |
| 38. 9.05% Shriram Transport Fin NCD Mat 30-Jun-2021 | 19,683,695 | 0.24% | AA+ |
| 39. 10.25% Shriram Transport Fin NCD Mat 18-Sep-2024 | 18,363,967 | 0.22% | AA+ |
| 40. 9.45% LIC Housing Finance Co. Ltd. Mat 30-Jan-2022 | 18,287,490 | 0.22% | AAA |
| 41. 10.35% United Phosphorus Ltd. NCD Mat 08-Jun-2019 | 16,122,252 | 0.20% | AA+ |
| 42. 8.75% IDFC Bank Ltd NCD Mat 28-Jul-2023 | 15,756,197 | 0.19% | AA+ |
| 43. 9.22% Shriram Transport Fin NCD Mat 13-Apr-2026 | 13,577,473 | 0.16% | AA+ |
| 44. 9.43% LIC Housing Finance Co. Ltd. Mat 10-Feb-2022 | 12,185,863 | 0.15% | AAA |
| 45. 8.49% IDFC Bank Ltd NCD Mat 11-Dec-2024 | 11,603,295 | 0.14% | AA+ |
| 46. 8.70% IDFC Bank Ltd NCD Mat 23-Jun-2025 | 10,724,525 | 0.13% | AA+ |
| 47. 8.89% IDFC Bank Ltd NCD Mat 02-Dec-2020 | 9,967,812 | 0.12% | AA+ |
| 48. 8.40 % L&T NCD Mat 24 Sep 2020 | 9,931,160 | 0.12% | AAA |
| 49. 9.25% Shriram Transport Fin NCD Mat 18-Mar-2021 | 9,893,006 | 0.12% | AA+ |
| 50. 8.85% Bajaj Finance Ltd NCD Mat 21-Jul-2026 | 9,847,000 | 0.12% | AAA |
| 51. 8.90% IDFC Bank Ltd NCD Mat 19-Nov-2025 | 9,843,110 | 0.12% | AA+ |
| 52. 9.30% Shriram Transport Fin NCD Mat 18-Mar-2026 | 9,741,142 | 0.12% | AA+ |
| 53. 9.15% Shriram Transport Fin NCD Mat 13-Apr-2021 | 8,883,705 | 0.11% | AA+ |
| 54. 8.90% HDFC Ltd Mat 18-Aug-2020 | 5,950,500 | 0.07% | AAA |
| 55. 9.38% IDFC Bank Ltd NCD Mat 12-Sep-2024 | 5,038,988 | 0.06% | AA+ |
| 56. 9.25% Tata Sons Private Ltd NCD Mat 19-Jun-2019 | 5,014,887 | 0.06% | AAA |
| 57. 8.73% IDFC Bank Ltd NCD Mat 14-Jun-2022 | 4,935,312 | 0.06% | AA+ |
| 58. 8.75% Mahindra and Mahindra Financial Services Ltd Mat 09-Oct-2025 | 4,773,608 | 0.06% | AAA |
| 59. 8.64% IDFC Bank Ltd NCD Mat 15-Apr-2020 | 3,974,773 | 0.05% | AA+ |
| 60. 8.70% IDFC Bank Ltd NCD Mat 20-May-2025 | 3,900,341 | 0.05% | AA+ |
| 61. 8.68% LIC Housing Finance Ltd. Mat 30-Mar-2020 | 2,992,805 | 0.04% | AAA |
| 62. 9.80% L&T Infrastructure Finance Ltd Mat 16-Jan-2019 | 2,502,653 | 0.03% | AAA |
| 63. 9.50% IL&FS Ltd. NCD Mat 28-Jul-2024 | 2,175,000 | 0.03% | D |
| 64. 9.47% LIC Housing Finance Ltd Mat 23-Aug-2024 | 2,051,315 | 0.02% | AAA |
| 65. 9.44% LIC Housing Finance Co. Ltd. Mat 30-Aug-2019 | 2,011,245 | 0.02% | AAA |
| 66. 9.43% Tata Sons Private Ltd NCD Mat 02-Jun-2019 | 2,009,549 | 0.02% | AAA |
| 67. 10% Shriram Transport Fin NCD Mat 15-Jul-2019 | 2,007,223 | 0.02% | AA+ |
| 68. 9.55% Hindalco Ind. Ltd. NCD Mat 27-Jun-2022 | 2,004,944 | 0.02% | AA |
| 69. 9.55% IL&FS Ltd. NCD Mat 13-Aug-2024 | 1,500,000 | 0.02% | D |
| 70. 8.69% IL&FS Ltd. NCD Mat 25-Aug-2025 | 1,500,000 | 0.02% | D |
| 71. 9.74% Tata Sons Private Ltd NCD Mat 13-Jan-2024 | 1,034,830 | 0.01% | AAA |
| 72. 10.24% L&T Finance Ltd Mat 17-Sep-2019 | 1,011,236 | 0.01% | AAA |
| 73. 9.45% LIC Housing Finance Co. Ltd. Mat 10-Sep-2019 | 1,005,602 | 0.01% | AAA |
| 74. 9.51% LIC Housing Finance Co. Ltd. Mat 24-Jul-2019 | 1,004,497 | 0.01% | AAA |
| 75. 9.63% LIC Housing Finance Co. Ltd. Mat 22-Jan-2019 | 1,002,842 | 0.01% | AAA |
| 76. 9.33% IDFC Bank Ltd NCD Mat 14-Mar-2026 | 1,002,553 | 0.01% | AA+ |
| 77. 8.97% Tata Sons Private Ltd NCD Mat 15-Jul-2020 | 1,002,251 | 0.01% | AAA |
| 78. 9.65% LIC Housing Finance Co. Ltd. Mat 01-Nov-2018 | 1,001,617 | 0.01% | AAA |
| 79. 9.18% IDFC Bank Ltd NCD Mat 11-Jun-2024 | 1,000,286 | 0.01% | AA+ |
| 80. 8.90% IDFC Bank Ltd NCD Mat 29-Sep-2019 | 1,000,087 | 0.01% | AA+ |
| 81. 8.72% IDFC Bank Ltd NCD Mat 29-Sep-2020 | 994,549 | 0.01% | AA+ |
| 82. 8.37% LIC Housing Finance Co. Ltd. Mat-21-May-2023 | 977,325 | 0.01% | AAA |
| 83. 10.75% Shriram Transport Finance-Series II Mat 24-Oct-2018 | 395,778 | 0.005% | AA+ |
| Debt Instruments Total | 7,763,256,570 | 94.15% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. SBI Premier Liquid Fund - Direct Plan -Growth | 197,234,000 | 2.39% | AAA |
| Money Market Instruments Total | 197,234,000 | 2.39% | |
| Cash/Cash Equivalent & Net Current Assets | 285,407,028 | 3.46% | |
| Grand Total | 8,245,897,598 | 100.00% | |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|----------------------|----------------|-----------------|
| Average Maturity of Portfolio (in yrs) # | 5.52 | | |
| Modified Duration (in yrs) # | 3.92 | | |
| Yield to Maturity (%) (annualised) (at market price) # | 8.98% | | |
| <u>Credit Rating Exposure</u> | | | |
| Central Government Securities | - | - | |
| State Development Loans | - | - | |
| AAA / equivalent | 6,298,290,723 | 76.38% | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | 1,420,285,903 | 17.22% | |
| AA / equivalent | 2,004,944 | 0.02% | |
| AA- / equivalent | - | - | |
| A+ / equivalent | - | - | |
| A / equivalent | - | - | |
| A- / equivalent | - | - | |
| BBB+ / equivalent | - | - | |
| BBB / equivalent | - | - | |
| BBB- / equivalent | - | - | |
| Lower (Below Investment Grade) (out of above Net NPA) | 42,675,000 | 0.52% | |
| | - | - | |
| TOTAL | 7,763,256,570 | 94.15% | |
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 197,234,000 | 2.39% | |
| Cash / cash equivalent net current assets | 285,407,028 | 3.46% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 8,245,897,598 | 100.00% | |
| Units Outstanding | 514,073,362 | | |
| NAV* | 16.0403 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2018 | | 16.0665 | |
| d. NAV at September 30,2018* | | 16.0403 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2018 | | - | |
| f. Total 'Infrastructure investments' September 30, 2018 | | 4,357,121,144 | |
| # Calculated on debt portfolio | | | |

* 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

| Sr No | Particulars | Scheme C Tier I | |
|-------|--|------------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| 1 | NAV per unit (₹) I | | |
| | Open | 16.0665 | 15.1039 |
| | High | 16.1803 | 15.8517 |
| | Low | 15.7260 | 15.0322 |
| | End @ | 16.0330 | 15.8108 |
| 2 | Closing Assets Under Management (₹ in Lakhs) | | |
| | End | 82,458.98 | 40,618.42 |
| | Average daily net assets (AAuM) II | 73,876.95 | 34,965.16 |
| 3 | Gross income as % of AAuM III | 4.15% | 4.50% |
| 4 | Expense ratio | | |
| a | Total expense as % of AAuM (scheme wise) IV | 0.01% | 0.01% |
| b | Management fee as % of AAuM (scheme wise) V | 0.01% | 0.01% |
| 5 | Net income as % of AAuM VI | -0.04% | 4.49% |
| 6 | Portfolio turnover ratio VII | 17.41% | 3.18% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year | 1.41% | 8.41% |
| | Benchmark | 0.29% | 7.88% |
| b | Since inception | 60.33% | 58.11% |
| | Benchmark | 57.65% | 57.10% |
| c | Compound annualised yield (%) VIII | | |
| | Last 1 year | 1.41% | 8.41% |
| | Last 2 year | 4.85% | 10.43% |
| | Last 3 year | 7.34% | 11.61% |
| | Since launch of the scheme | 9.57% | 11.63% |
| | Launch Date | August 01, 2013 | |
| I | NAV = (Market value of investment 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)) | | |
| II | AAuM = Average daily net assets | | |
| III | Gross income = Total Income as per Revenue Account | | |
| IV | Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss | | |
| V | Management fee as % of AAuM is annualised | | |
| VI | Net income = Surplus / Deficit as per Revenue Account | | |
| VII | Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management | | |
| VIII | Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ - 1 (where n=365/no. of days) | | |
| | @ 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018. | | |



NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

**Un-audited Financial Statements for the half year
ended September 30, 2018**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II**

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme C Tier II | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Liabilities | | | |
| Unit Capital | 1 | 220,662,322 | 108,436,846 |
| Reserves & Surplus | 2 | 113,959,132 | 53,463,987 |
| Current Liabilities and Provisions | 3 | 1,460,851 | 87,009 |
| Total | | 336,082,305 | 161,987,842 |
| Assets | | | |
| Investments | 4 | 324,473,014 | 156,293,298 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 11,609,291 | 5,694,544 |
| Total | | 336,082,305 | 161,987,842 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 334,621,454 | 161,900,833 |
| (b) Number of units outstanding | | 22,066,232 | 10,843,685 |
| (c) NAV per unit (a)/(b) (₹)* | | 15.1644 | 14.9304 |
| Significant accounting policies and notes to accounts | 7 | | |

*30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

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

Vibha Padalkar

(Director)

Parvez Mulla

(Director)

Sumit Shukla

(Chief Executive Officer)

Fagun Pancholi

(Chief Financial Officer)

Nagesh Pai

(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme C Tier II | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Income | | | |
| Interest | | 11,701,132 | 4,870,690 |
| Profit on sale/redemption of investments | | 478,697 | 112,557 |
| Unrealised gain on appreciation in investments | | - | 874,312 |
| Other income | | | |
| - Miscellaneous Income | | 179 | - |
| Total Income (A) | | 12,180,008 | 5,857,559 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | 11,583,668 | - |
| Loss on sale/redemption of investments | | 441,661 | - |
| Management fees (including Goods and Service Tax / Service Tax) | | 17,257 | 7,327 |
| NPS Trust fees | | 7,312 | 6,277 |
| Custodian fees | | 5,227 | 2,345 |
| CRA fees | | 32,131 | 15,745 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (32,131) | (15,745) |
| Depository and settlement charges | | 1,186 | 982 |
| Total Expenditure (B) | | 12,056,311 | 16,931 |
| Surplus/(Deficit) for the year (A-B = C) | | 123,697 | 5,840,628 |
| Less: Amount transferred to Unrealised appreciation account | | - | (874,312) |
| Less: Amount transferred to General Reserve | | (123,697) | (4,966,316) |
| Amount carried forward to Balance Sheet | | - | - |
| Significant accounting policies and notes to accounts | 7 | | |

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

Schedules forming part of the un-audited half yearly financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme C Tier II | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Initial capital | | |
| Unit capital | | |
| Outstanding at the beginning of the period | 168,706,548 | 62,979,573 |
| Add :Units issued during the period | 98,732,863 | 59,537,069 |
| Less: Units redeemed during the period | (46,777,089) | (14,079,796) |
| Outstanding at the end of the period | 220,662,322 | 108,436,846 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 16,870,655 | 6,297,957 |
| Add :Units issued during the period | 9,873,286 | 5,953,707 |
| Less: Units redeemed during the period | (4,677,709) | (1,407,980) |
| Outstanding Units at the end of the period | 22,066,232 | 10,843,685 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme C Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Unit premium reserve | | |
| Opening balance | 69,959,536 | 18,989,030 |
| Add: Premium on Units issued | 50,641,053 | 27,567,485 |
| Less: Premium on Units redeemed | (23,968,434) | (6,527,451) |
| Closing balance | 96,632,155 | 40,029,064 |
| General Reserve | | |
| Opening balance | 17,203,280 | 6,369,934 |
| Add/(Less): Transfer from/(to) Revenue Account | 123,697 | 4,966,316 |
| Closing balance | 17,326,977 | 11,336,250 |
| Unrealised Appreciation Reserve | | |
| Opening balance | - | 1,224,361 |
| Add: Adjustment for Previous years unrealised appreciation reserve | - | - |
| Add/(Less): Transfer from/(to) Revenue Account | - | 874,312 |
| Closing balance | - | 2,098,673 |
| Total | 113,959,132 | 53,463,987 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme C Tier II | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Current liabilities & Provisions | | |
| Sundry creditors for expenses | 15,661 | 13,084 |
| Redemption Payable | 1,444,821 | 73,753 |
| TDS Payable | 369 | 172 |
| Provisions* | - | - |
| Total | 1,460,851 | 87,009 |

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II**

Schedules forming part of the un-audited half yearly financial statements

Schedule 4: Investments (Long Term and Short Term)**(In ₹)**

| Particulars | Scheme C Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Debentures and Bonds Listed/Awaiting Listing | 304,558,014 | 152,990,299 |
| Others - Mutual Fund Units | 19,915,000 | 3,302,999 |
| Total | 324,473,014 | 156,293,298 |

Schedule 5: Deposits**(In ₹)**

| Particulars | Scheme C Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Deposits with scheduled banks | - | - |
| Total | - | - |

Schedule 6: Other current assets**(In ₹)**

| Particulars | Scheme C Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Balances with banks in current account | 5,607 | 4,862 |
| Outstanding and accrued income | 11,603,684 | 5,689,682 |
| Total | 11,609,291 | 5,694,544 |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2018

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. 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.

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. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply 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, 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 financials have been prepared for SCHEME C TIER II being managed by the Company.

The Company manages eight separate schemes under the two tiered structure (Tier I and II) prescribed under the NPS. The schemes are classified as Scheme E, C, G and A 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

Scheme A – Alternate Investment funds

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 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.

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) effective April 1, 2011. 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:

Debt securities (other than government securities) with a residual maturity over/upto 60 days are valued at National Stock Exchange (NSE) weighted average traded price on that day.

Securities not traded at a stock exchange:

Non-traded debt securities (i.e. securities not traded on a day) with a residual maturity over 60 days are valued on a yield to maturity basis by using the benchmark rate / matrix of spread over risk free benchmark yield obtained from CRISIL and ICRA.

Non-traded debt securities (i.e. securities not traded on a day) with a residual maturity upto 60 days are valued at last valuation price plus the difference between redemption price and last valuation price, spread uniformly over the remaining maturity period of the instrument.

Valuation of securities having call and/or Put options:

- a) Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- b) Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- c) 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.
- d) 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.

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.

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)

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

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 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 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.

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/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) are recognised on receipt and other incomes of miscellaneous nature are 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.

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 August 01, 2014, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

1.8 Trustee fees

Trustee Fees are recognized on daily accrual basis on closing Asset Under Management (AUM) in accordance with circular no. 1/20/2015/NPST dated October 19, 2015.

The Company has started charging Trustee fee of 0.005% per annum, with effect from April 01, 2018 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST/4764 dated March 19, 2018. The Trustee fees charged until March 31, 2018 was 0.01% per annum in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST dated October 19, 2015.

1.9 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.

2 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.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

| Particulars | Scheme C Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Uncalled liability on partly paid shares | NIL | NIL |
| Other commitments | NIL | 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 |
| Ms. Vibha Padalkar | Key Management Personnel |
| Mr. Parvez Mulla | Key Management Personnel (w.e.f. September 25 th , 2018) |
| Mr. Sumit Shukla | Key Management Personnel |
| Mr. Fagun Pancholi | Key Management Personnel |
| Mr. Nagesh Pai | Key Management Personnel |

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2018

(In ₹)

| Nature of Transaction | Scheme C Tier II | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees | 17,257 | 7,327 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | Scheme C Tier II | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees payable | 8,727 | 4,073 |

Aggregate investments made in the Associates and group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme C Tier II | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Ltd | | 7,255,280 | 6,921,052 | 4,146,920 | 4,188,495 |

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme C Tier II | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | | NIL | NIL | NIL | NIL |

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme C Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 291,693,996 | 114,508,448 |
| Purchase of Investment | 1,761,860,447 | 503,415,273 |
| % to average Net Assets Value | 604.01% | 439.63% |
| Sale of Investment | 1,665,788,130 | 432,591,563 |
| % to average Net Assets Value | 571.07% | 377.78% |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme C Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 291,693,996 | 114,508,448 |
| Purchase of Investment | 92,083,448 | 71,112,556 |
| % to average Net Assets Value | 31.57% | 62.10% |
| Sale of Investment | 15,447,434 | - |
| % to average Net Assets Value | 5.30% | - |

*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:

(In ₹)

| Industry Classification | Scheme C Tier II | | | |
|--|--------------------------|------------------------------|--------------------------|------------------------------|
| | As at September 30, 2018 | | As at September 30, 2017 | |
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Other credit granting | 95,692,239 | 28.60% | 47,471,332 | 29.32% |
| Monetary intermediation of commercial / saving / postal banks | 47,393,784 | 14.16% | 25,631,066 | 15.83% |
| Activities of specialized institutions granting credit for house purchases | 29,657,294 | 8.86% | 17,974,629 | 11.10% |
| Electric Power Generation by Hydroelectric Power Plants | 28,445,963 | 8.50% | - | 0.00% |
| Transmission of Electric Energy | 22,853,781 | 6.83% | 13,307,686 | 8.22% |
| Service activities incidental to water transportation | 20,562,573 | 6.15% | 11,540,356 | 7.13% |
| Activity of commission agents dealing in wholesale trade in agriculture | 20,410,072 | 6.10% | 9,816,773 | 6.06% |
| Electric Power Generation, Transmission and Distribution | 19,051,073 | 5.69% | 8,125,266 | 5.02% |
| Electric power generation by coal based thermal power plants | 12,828,596 | 3.83% | 10,632,822 | 6.57% |
| Others (Industries constitute less than 5%) | 7,662,639 | 2.29% | 8,490,369 | 5.24% |
| Mutual Funds | 19,915,000 | 5.95% | 3,302,999 | 2.04% |
| Net Current Assets | 10,148,440 | 3.03% | 5,607,535 | 3.46% |
| Net Asset Value | 334,621,454 | 100.00% | 161,900,833 | 100.00% |

Note :

1. Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.

2.7 Age wise disclosure for Shares/debentures/ others application money pending allotment.

The Figures of the previous period have been regrouped / rearranged, wherever applicable, to conform current year's presentation.

(In ₹)

| Security Name | Asset Type | Ageing | Scheme C Tier II | |
|---------------|------------|--------|--------------------|--------------------|
| | | | September 30, 2018 | September 30, 2017 |
| | NIL | NIL | NIL | NIL |

2.8 Prior Year Comparatives :

The Figures of the previous period have been regrouped / rearranged, wherever applicable, to conform current year's presentation.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|--------------|----------------|-----------------|
| Debt Instruments | | | |
| PSU/PFI Bonds | | | |
| 1. 8.54% NHPC NCD Mat 26-November-2026. | 16,661,208 | 4.98% | AAA |
| 2. 9.95% Food Corporation of India Ltd Mat 07-Mar-2022 | 15,447,000 | 4.62% | AAA |
| 3. 8.14% Nuclear Power Corp. Mat 25-Mar-2026(Tranche A) | 12,608,200 | 3.77% | AAA |
| 4. 8.49% NTPC NCD Mat 25-Mar-2025 | 10,803,144 | 3.23% | AAA |
| 5. 8.20% NABARD NCD Mat 16-March-2028 | 9,697,791 | 2.90% | AAA |
| 6. 9.34% Rural Electrification Corp Ltd Mat 25-Aug-2024 | 8,143,936 | 2.43% | AAA |
| 7. 7.20% Power Grid NCD Mat 21-Dec-2021 | 7,639,614 | 2.28% | AAA |
| 8. 8.50% NHPC NCD Mat 14-July-2024 | 6,877,886 | 2.06% | AAA |
| 9. 9.60% EXIM Bank NCD Mat 07-FEB-2024 | 5,144,770 | 1.54% | AAA |
| 10. 9.25% EXIM Bank NCD Mat 18-April-2022 | 5,054,655 | 1.51% | AAA |
| 11. 9.02% Rural Electrification Corp Ltd Mat 19-Nov-2022 | 5,021,911 | 1.50% | AAA |
| 12. 8.65% NABARD NCD Mat 08-June-2028 | 4,994,015 | 1.49% | AAA |
| 13. 8.49% NHPC NCD Mat 26-November-2024 | 4,906,869 | 1.47% | AAA |
| 14. 8.22% NABARD NCD Mat 25-Feb-2028 | 4,854,028 | 1.45% | AAA |
| 15. 7.09% Rural Electrification Corp Ltd Mat 17-Oct-2022 | 4,706,349 | 1.41% | AAA |
| 16. 7.55% Power Grid NCD Mat 21-Sep-2031 | 4,504,358 | 1.35% | AAA |
| 17. 9.09% IRFC Ltd NCD Mat 29-Mar-2026 (74th Series) | 4,084,945 | 1.22% | AAA |
| 18. 9.20% Power Finance Corp Ltd Mat 07-Jul-2021 | 4,030,847 | 1.20% | AAA |
| 19. 8.80% Food Corporation of India Ltd Mat 22-Mar-2028 | 2,983,094 | 0.89% | AAA |
| 20. 8.82% Rural Electrification Corp. Ltd. Mat 12-Apr-2023 | 2,977,080 | 0.89% | AAA |
| 21. 8.65% Power Finance Corporation Ltd.Mat-28-Dec-2024 | 2,965,210 | 0.89% | AAA |
| 22. 8.40% Power Grid NCD Mat 27-May-2024 | 2,935,046 | 0.88% | AAA |
| 23. 7.40% Power Finance Corporation Ltd.Mat 30-Sep-2021. | 2,889,848 | 0.86% | AAA |
| 24. 8.18% EXIM Bank NCD Mat 07-Dec-2025 | 2,889,515 | 0.86% | AAA |
| 25. 8.11% Rural Electrification Corp Ltd Mat 07-Oct-2025 | 2,881,777 | 0.86% | AAA |
| 26. 7.25% Nuclear Power Corp. Mat 15-Dec-2028 (SR-XXXIII TRCH-B) | 2,713,267 | 0.81% | AAA |
| 27. 7.27% IRFC NCD Mat 15-June-2027 | 2,712,862 | 0.81% | AAA |
| 28. 8.68% Power Grid NCD Mat 07-Dec-2020 | 2,493,317 | 0.75% | AAA |
| 29. 9.30% Power Grid NCD Mat 04-Sep-2024 | 2,043,732 | 0.61% | AAA |
| 30. 9.17% NTPC NCD Mat 22-Sep-2024 | 2,025,452 | 0.61% | AAA |
| 31. 9.40% Rural Electrification Corp Ltd Mat 17-July-2021 | 2,025,212 | 0.61% | AAA |
| 32. 8.95%IRFC NCD Mat 10-Mar-2025 | 2,024,480 | 0.61% | AAA |
| 33. 8.55% Power Finance Corporation Ltd.Mat 09-Dec-2021 | 1,983,031 | 0.59% | AAA |
| 34. 8.70% Power Finance Corporation Ltd.Mat 14-May-2025 | 1,980,322 | 0.59% | AAA |
| 35. 8.62% Food Corporation of India Ltd Mat 22-Mar-2023 | 1,979,978 | 0.59% | AAA |
| 36. 7.74%IRFC NCD Mat 22-Dec-2020 | 1,965,224 | 0.59% | AAA |
| 37. 8.39% Power Finance Corporation Ltd.Mat-19-Apr-2025 | 1,950,893 | 0.58% | AAA |
| 38. 7.25% Nuclear Power Corp. Mat 15-Dec-2031 (SR-XXIII TRCH-E) | 1,777,779 | 0.53% | AAA |
| 39. 9.30% Power Grid NCD Mat 28-Jun-2026 | 1,277,254 | 0.38% | AAA |
| 40. 9.46% Power Finance Corporation Ltd.Mat 01-Aug-2026 | 1,030,968 | 0.31% | AAA |
| 41. 9.39% Power Finance Corporation Ltd.Mat 27-Aug-2024 | 1,022,141 | 0.31% | AAA |
| 42. 9.48% Power Finance Corporation Ltd.Mat 15-April-2022 | 1,017,624 | 0.30% | AAA |
| 43. 9.75% EXIM Bank NCD Mat 04-Oct-2020 | 1,016,986 | 0.30% | AAA |
| 44. 8.83% IRFC NCD Mat 14-May-2031 | 1,011,531 | 0.30% | AAA |
| 45. 8.83% IRFC NCD Mat 14-May-2034 | 1,011,238 | 0.30% | AAA |
| 46. 8.93% Power Grid NCD Mat 20-Oct-2021 | 1,000,814 | 0.30% | AAA |
| 47. 8.64% IRFC NCD Mat 17-May-2021 | 999,609 | 0.30% | AAA |
| 48. 8.85% Power Finance Corporation Ltd.Mat 31-May-2021 | 999,287 | 0.30% | AAA |
| 49. 8.75% Power Finance Corporation Ltd. Mat 15-Jun-2025 | 996,500 | 0.30% | AAA |
| 50. 8.44% Rural Electrification Corp Ltd Mat 04-Dec-2021 | 989,020 | 0.30% | AAA |
| 51. 8.40% Nuclear Power Corp. Mat 28-Nov-2025 (SR-XXIX TRCH-A) | 984,252 | 0.29% | AAA |
| 52. 8.14% Nuclear Power Corp. Mat 25-Mar-2027 (Tranche B) | 967,575 | 0.29% | AAA |
| 53. 8.32% Power Grid NCD Mat 23-Dec-2030 | 959,646 | 0.29% | AAA |
| 54. 8.10% EXIM Bank NCD Mat 19-Nov-2025. | 959,345 | 0.29% | AAA |
| 55. 8.25% EXIM Bank NCD Mat 23-Jun-2031 | 953,494 | 0.28% | AAA |
| Private Corporate Bonds | | | |
| 1. 9.30% Shriram Transport Fin NCD Mat 12-July-2023 | 19,432,000 | 5.81% | AA+ |
| 2. 8.45% Sikka Ports & Terminals Limited NCD Mat 12-Jun-2023 | 13,768,611 | 4.11% | AAA |
| 3. 9.10% Capital First Ltd Mat 30-June-2021 | 9,853,729 | 2.94% | AA+ |
| 4. 8.37% LIC Housing Finance Co. Ltd. Mat-21-May-2023 | 9,773,250 | 2.92% | AAA |
| 5. 7.90% Sikka Ports & Terminals Limited NCD Mat 18-Nov-2026 | 4,720,997 | 1.41% | AAA |
| 6. 8.90% HDFC Ltd Mat 18-Aug-2020 | 3,967,000 | 1.19% | AAA |
| 7. 8.50% LIC Housing Finance Co. Ltd. Mat 29-Aug-2025 | 3,921,884 | 1.17% | AAA |
| 8. 8.70% IDFC Bank Ltd NCD Mat 20-May-2025 | 3,900,341 | 1.17% | AA+ |
| 9. 8.95% LIC Housing Finance Co. Ltd. Mat 15-Sep-2020 | 3,007,907 | 0.90% | AAA |
| 10. 8.95% HDFC Ltd Mat 21-Mar-2023 | 2,954,052 | 0.88% | AAA |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|--------------------|----------------|-----------------|
| 11. 10.40% Sikka Ports & Terminals Limited NCD Mat 18-Jul-2021 | 2,072,965 | 0.62% | AAA |
| 12. 9.17% IDFC Bank Ltd NCD Mat 14-Oct-2024 | 1,996,986 | 0.60% | AA+ |
| 13. 9.20% Capital First Ltd Mat 22-Jan-2021 | 1,977,322 | 0.59% | AA+ |
| 14. 8.75% IDFC Bank Ltd NCD Mat 28-Jul-2023 | 1,969,525 | 0.59% | AA+ |
| 15. 8.90% IDFC Bank Ltd NCD Mat 19-Nov-2025 | 1,968,622 | 0.59% | AA+ |
| 16. 8.94% Bajaj Finance Ltd NCD Mat 07-Nov-2025 | 1,927,036 | 0.58% | AAA |
| 17. 9.69% Tata Sons Private Ltd NCD Mat 12-Jun-2022 | 1,024,634 | 0.31% | AAA |
| 18. 10.25% Shriram Transport Fin NCD Mat 10-Oct-2024 | 1,021,765 | 0.31% | AA+ |
| 19. 10.15% Bajaj Finance Ltd NCD Mat 19-Sep-2024 | 1,021,135 | 0.31% | AAA |
| 20. 9.45% LIC Housing Finance Co. Ltd. Mat 30-Jan-2022 | 1,015,972 | 0.30% | AAA |
| 21. 9.60% LIC Housing Finance Ltd. Mat 07-Mar-2021 | 1,015,468 | 0.30% | AAA |
| 22. 9.22% LIC Housing Finance Co. Ltd. Mat 16-Oct-2024 | 1,014,992 | 0.30% | AAA |
| 23. 9.30% LIC Housing Finance Ltd. Mat 14-Sep-2022 | 1,013,534 | 0.30% | AAA |
| 24. 10.35% United Phosphorus Ltd. NCD Mat 08-Jun-2019 | 1,007,641 | 0.30% | AA+ |
| 25. 9.36% IDFC Bank Ltd NCD Mat 21-Aug-2024 | 1,006,649 | 0.30% | AA+ |
| 26. 9.45% LIC Housing Finance Co. Ltd. Mat 10-Sep-2019 | 1,005,602 | 0.30% | AAA |
| 27. 10% Shriram Transport Fin NCD Mat 13-Nov-2024 | 998,500 | 0.30% | AA+ |
| 28. 9.15% Shriram Transport Fin NCD Mat 13-Apr-2021 | 987,078 | 0.29% | AA+ |
| 29. 8.73% IDFC Bank Ltd NCD Mat 14-Jun-2022 | 987,062 | 0.29% | AA+ |
| 30. 8.55% Bajaj Finance Ltd NCD Mat 26-Apr-2021 | 977,471 | 0.29% | AAA |
| 31. 7.59% LIC Housing Finance Ltd. Mat 14-Oct-2022 | 967,633 | 0.29% | AAA |
| 32. 8.75% Mahindra and Mahindra Financial Services Ltd Mat 09-Oct-2025 | 954,722 | 0.29% | AAA |
| 33. 8.69% IL&FS Ltd. NCD Mat 25-Aug-2025 | 750,000 | 0.22% | D |
| Debt Instruments Total | 304,558,014 | 91.02% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. SBI Premier Liquid Fund - Direct Plan -Growth | 19,915,000 | 5.95% | AAA |
| Money Market Instruments Total | 19,915,000 | 5.95% | |
| Cash/Cash Equivalent & Net Current Assets | 10,148,440 | 3.03% | |
| Grand Total | 334,621,454 | 100.00% | |
| Average Maturity of Portfolio (in yrs) # | 5.77 | | |
| Modified Duration (in yrs) # | 4.09 | | |
| Yield to Maturity (%) (annualised) (at market price) # | 8.97% | | |
| Credit Rating Exposure | | | |
| Central Government Securities | - | - | |
| State Development Loans | - | - | |
| AAA / equivalent | 256,700,794 | 76.71% | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | 47,107,220 | 14.08% | |
| AA / equivalent | - | - | |
| AA- / equivalent | - | - | |
| A+ / equivalent | - | - | |
| A / equivalent | - | - | |
| A- / equivalent | - | - | |
| BBB+ / equivalent | - | - | |
| BBB / equivalent | - | - | |
| BBB- / equivalent | - | - | |
| Lower (Below Investment Grade) | 750,000 | 0.22% | |
| (out of above Net NPA) | - | - | |
| TOTAL | 304,558,014 | 91.02% | |
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 19,915,000 | 5.95% | |
| Cash / cash equivalent net current assets | 10,148,440 | 3.03% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 334,621,454 | 100.00% | |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|-----------------------|--|-----------------|
| Units Outstanding NAV* | 22,066,232 15.1644 | | |
| Notes: a. Total NPAs provided for and its percentage to NAV b. Total value and percentage of illiquid equity shares c. NAV at March 31,2018 d. NAV at September 30,2018* e. Total outstanding exposure in derivative instruments at September 30, 2018 f. Total 'Infrastructure investments' September 30, 2018 # Calculated on debt portfolio | | - - 15.1665 15.1644 - 184,709,665 | |

*30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER II

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

| Sr No | Particulars | Scheme C Tier II | |
|-------|---|------------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| 1 | NAV per unit (₹) I | | |
| | Open | 15.1665 | 14.2209 |
| | High | 15.2773 | 14.9405 |
| | Low | 14.8533 | 14.1662 |
| | End @ | 15.1577 | 14.9272 |
| 2 | Closing Assets Under Management (₹ in Lakhs) | | |
| | End | 3,346.21 | 1619.01 |
| | Average daily net assets (AAuM) II | 2,916.94 | 1251.88 |
| 3 | Gross income as % of AAuM III | 4.18% | 4.68% |
| 4 | Expense ratio | | |
| a | Total expense as % of AAuM (scheme wise) IV | 0.01% | 0.01% |
| b | Management fee as % of AAuM (scheme wise) V | 0.01% | 0.01% |
| 5 | Net income as % of AAuM VI | 0.04% | 4.67% |
| 6 | Portfolio turnover ratio VII | 5.30% | - |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year | 1.54% | 8.65% |
| | Benchmark | 0.29% | 7.88% |
| b | Since inception VIII | 51.58% | 49.27% |
| | Benchmark | 57.65% | 57.10% |
| c | Compound annualised yield (%) IX | | |
| | Last 1 year | 1.54% | 8.65% |
| | Last 2 year | 5.04% | 10.67% |
| | Last 3 year | 7.54% | 10.41% |
| | Since launch of the scheme | 8.38% | 10.10% |
| | Launch Date | August 01, 2013 | |
| I | NAV = (Market value of investment 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)) | | |
| II | AAuM = Average daily net assets | | |
| III | Gross income = Total Income as per Revenue Account | | |
| IV | Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss | | |
| V | Management fee as % of AAuM is annualised | | |
| VI | Net income = Surplus / Deficit as per Revenue Account | | |
| VII | Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management | | |
| VIII | The investments into the mandated assets of the fund started in March 2015. From the date of inception of the fund till March 2015 the inflows were invested in liquid schemes of mutual funds. As per fund objective of Tier II Scheme C, the fund only invests in Corporate Bonds. There is a minimum threshold of Rs.10 Lacs for investment Corporate Bonds and till the time investable amount reaches this threshold, it is invested temporarily in liquid and money market schemes of mutual funds. Due to small size of the fund this has affected the fund performance. Hence, Fund performance since inception of the scheme is not comparable with the benchmark. | | |
| IX | Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return)^n -1 (where n=365/no. of days) @ 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018. | | |



NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

**Un-audited Financial Statements for the half year
ended September 30, 2018**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I**

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme G Tier I | |
|--|----------|-----------------------|----------------------|
| | | September 30, 2018 | September 30, 2017 |
| Liabilities | | | |
| Unit Capital | 1 | 7,144,336,475 | 3,488,586,850 |
| Reserves & Surplus | 2 | 3,921,819,406 | 1,946,729,625 |
| Current Liabilities and Provisions | 3 | 201,204,376 | 50,873,352 |
| Total | | 11,267,360,257 | 5,486,189,827 |
| Assets | | | |
| Investments | 4 | 10,783,520,440 | 5,384,021,533 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 483,839,817 | 102,168,294 |
| Total | | 11,267,360,257 | 5,486,189,827 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 11,066,155,881 | 5,435,316,475 |
| (b) Number of units outstanding | | 714,433,647 | 348,858,685 |
| (c) NAV per unit (a)/(b) (₹)* | | 15.4894 | 15.5802 |
| Significant accounting policies and notes to accounts | 7 | | |

*30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme G Tier I | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Income | | | |
| Interest | | 375,490,316 | 167,034,417 |
| Profit on sale/redemption of investments | | 26,358,150 | 8,139,297 |
| Unrealised gain on appreciation in investments | | - | 44,611,503 |
| Other income | | | |
| - Miscellaneous Income | | 5,994 | - |
| Total Income (A) | | 401,854,460 | 219,785,217 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | 204,356,324 | - |
| Loss on sale/redemption of investments | | 197,223,144 | 2,616,696 |
| Management fees (including Goods and Service Tax / Service Tax) | | 582,398 | 272,131 |
| NPS Trust fees | | 246,779 | 233,308 |
| Custodian fees | | 183,137 | 87,082 |
| CRA fees | | 5,698,142 | 3,394,606 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (5,698,142) | (3,394,606) |
| Depository and settlement charges | | 407,250 | 37,234 |
| Total Expenditure (B) | | 402,999,032 | 3,246,451 |
| Surplus/(Deficit) for the year (A-B = C) | | (1,144,572) | 216,538,766 |
| Less: Amount transferred to Unrealised appreciation account | | 105,614 | (44,611,503) |
| Less: Amount transferred to General Reserve | | 1,038,958 | (171,927,263) |
| Amount carried forward to Balance Sheet | | - | - |
| Significant accounting policies and notes to accounts | 7 | | |

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

Schedules forming part of the un-audited half yearly financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme G Tier I | |
|---|----------------------|----------------------|
| | September 30, 2018 | September 30, 2017 |
| Initial capital | | |
| Unit capital | | |
| Outstanding units at the beginning of the period | 5,421,081,092 | 2,540,074,900 |
| Add :Units issued during the period | 1,899,966,384 | 1,011,243,450 |
| Less: Units redeemed during the period | (176,711,001) | (62,731,500) |
| Outstanding at the end of the period | 7,144,336,475 | 3,488,586,850 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 542,108,109 | 254,007,490 |
| Add :Units issued during the period | 189,996,637 | 101,124,345 |
| Less: Units redeemed during the period | (17,671,100) | (6,273,150) |
| Outstanding Units at the end of the period | 714,433,647 | 348,858,685 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme G Tier I | |
|--|----------------------|----------------------|
| | September 30, 2018 | September 30, 2017 |
| Unit premium reserve | | |
| Opening balance | 2,512,079,270 | 985,562,329 |
| Add: Premium on Units issued | 1,027,482,191 | 534,483,211 |
| Less: Premium on Units redeemed | (95,488,355) | (32,808,926) |
| Closing balance | 3,444,073,106 | 1,487,236,614 |
| General Reserve | | |
| Opening balance | 478,785,258 | 237,740,456 |
| Add/(Less): Transfer from/(to) Revenue Account | (1,038,958) | 171,927,263 |
| Closing balance | 477,746,300 | 409,667,719 |
| Unrealised Appreciation Reserve | | |
| Opening balance | 105,614 | 5,213,789 |
| Add: Adjustment for Previous years unrealised appreciation reserve | - | - |
| Add/(Less): Transfer from/(to) Revenue Account | (105,614) | 44,611,503.00 |
| Closing balance | - | 49,825,292 |
| Total | 3,921,819,406 | 1,946,729,625 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme G Tier I | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Current liabilities & Provisions | | |
| Sundry creditors for expenses | 698,132 | 489,807 |
| Redemption Payable | 6,885,879 | 2,000,518 |
| TDS Payable | 16,976 | 5,777 |
| Contracts for purchase of investments | 193,603,389 | 48,377,250 |
| Provisions* | - | - |
| Total | 201,204,376 | 50,873,352 |

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I**

Schedules forming part of the un-audited half yearly financial statements

Schedule 4: Investments (Long Term and Short Term)**(In ₹)**

| Particulars | Scheme G Tier I | |
|---|-----------------------|----------------------|
| | September 30, 2018 | September 30, 2017 |
| Central and state government securities (including treasury bills) | 10,568,951,440 | 5,220,301,533 |
| Others - Mutual Fund Units | 214,569,000 | 163,720,000 |
| Total | 10,783,520,440 | 5,384,021,533 |

Schedule 5: Deposits**(In ₹)**

| Particulars | Scheme G Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Deposits with scheduled banks | - | - |
| Total | - | - |

Schedule 6: Other current assets**(In ₹)**

| Particulars | Scheme G Tier I | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Balances with banks in current account | 25,128 | 24,670 |
| Contracts for sale of investments | 205,728,867 | - |
| Outstanding and accrued income | 203,175,303 | 99,724,762 |
| Brokerage receivable from PFM | 5,000 | - |
| Application money pending allotment | 60,357,000 | - |
| Sundry debtors - Margin Money for Investments | 14,548,519 | 2,418,862 |
| Total | 483,839,817 | 102,168,294 |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2018

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. 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.

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. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply 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, 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 financials have been prepared for SCHEME G TIER I being managed by the Company.

The Company manages eight separate schemes under the two tiered structure (Tier I and II) prescribed under the NPS. The schemes are classified as Scheme E, C, G and A 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

Scheme A – Alternate Investment funds

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 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.

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) effective April 1, 2011. 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.

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.

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.

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.

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 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.

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.

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 August 01, 2014, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

1.8 Trustee fees

Trustee Fees are recognized on daily accrual basis on closing Asset Under Management (AUM) in accordance with circular no. 1/20/2015/NPST dated October 19, 2015.

The Company has started charging Trustee fee of 0.005% per annum, with effect from April 01, 2018 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST/4764 dated March 19, 2018. The Trustee fees charged until March 31, 2018 was 0.01% per annum in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST dated October 19, 2015.

1.9 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.

2 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.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

| Particulars | Scheme G Tier I | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Uncalled liability on partly paid shares | NIL | NIL |
| Other commitments | NIL | 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 |
| Ms. Vibha Padalkar | Key Management Personnel |
| Mr. Parvez Mulla | Key Management Personnel (w.e.f. September 25 th , 2018) |
| Mr. Sumit Shukla | Key Management Personnel |
| Mr. Fagun Pancholi | Key Management Personnel |
| Mr. Nagesh Pai | Key Management Personnel |

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2018

(In ₹)

| Nature of Transaction | Scheme G Tier I | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees | 582,398 | 272,131 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | Scheme G Tier I | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees payable | 294,502 | 142,143 |

Aggregate investments made in the Associates and group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme G Tier I | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Ltd | | NIL | NIL | NIL | NIL |

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme G Tier I | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | | NIL | NIL | NIL | NIL |

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme G Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 9,844,181,153 | 4,653,402,178 |
| Purchase of Investment | 36,465,318,771 | 13,464,959,515 |
| % to average Net Assets Value | 370.43% | 289.36% |
| Sale of Investment | 33,434,593,233 | 11,797,969,345 |
| % to average Net Assets Value | 339.64% | 253.53% |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme G Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 9,844,181,153 | 4,653,402,178 |
| Purchase of Investment | 17,739,640,773 | 2,124,127,516 |
| % to average Net Assets Value | 180.20% | 45.65% |
| Sale of Investment | 14,836,598,730 | 473,990,878 |
| % to average Net Assets Value | 150.71% | 10.19% |

*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:

(In ₹)

| Industry Classification | Scheme G Tier I | | | |
|-------------------------------|--------------------------|------------------------------|--------------------------|------------------------------|
| | As at September 30, 2018 | | As at September 30, 2017 | |
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Central Government Securities | 10,362,136,710 | 93.64% | 4,842,835,183 | 89.10% |
| State Development Loans | 206,814,730 | 1.87% | 377,466,350 | 6.94% |
| Mutual Funds | 214,569,000 | 1.94% | 163,720,000 | 3.01% |
| Net Current Assets | 282,635,441 | 2.55% | 51,294,942 | 0.94% |
| Net Asset Value | 11,066,155,881 | 100.00% | 5,435,316,475 | 100.00% |

2.7 Age wise disclosure for Shares/debentures/ others application money pending allotment.

(In ₹)

| Security Name | Asset Type | Ageing | Scheme G Tier I | |
|---|--------------------|------------------|--------------------|--------------------|
| | | | September 30, 2018 | September 30, 2017 |
| Birla Sun Life Cash Plus - Growth - Direct Plan | Liquid Mutual Fund | Less than 7 days | 60,357,000 | NIL |

2.8 Prior Year Comparatives :

The Figures of the previous period have been regrouped / rearranged, wherever applicable, to conform current year's presentation.

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|-----------------------|----------------|-----------------|
| Debt Instruments | | | |
| Central Government Securities | | | |
| 1. 7.17% GOI Mat 08-Jan-2028 | 1,842,164,998 | 16.65% | Sovereign |
| 2. 6.57% GOI Mat 05-Dec-2033 | 896,595,000 | 8.10% | Sovereign |
| 3. 7.40% GOI Mat 09-Sep-2035 | 739,035,148 | 6.68% | Sovereign |
| 4. 8.17% GOI Mat 01-Dec-2044 | 638,406,900 | 5.77% | Sovereign |
| 5. 8.33% GOI Mat 07-June-2036 | 627,012,381 | 5.67% | Sovereign |
| 6. 7.73% GOI Mat 19-Dec-2034 | 463,742,290 | 4.19% | Sovereign |
| 7. 8.83% GOI Mat 12-Dec-2041 | 459,761,830 | 4.15% | Sovereign |
| 8. 8.32% GOI Mat 02-Aug-2032 | 361,222,785 | 3.26% | Sovereign |
| 9. 7.59% GOI Mat 11-Jan-2026 | 339,710,000 | 3.07% | Sovereign |
| 10. 8.60% GOI Mat 02-Jun-2028 | 325,081,083 | 2.94% | Sovereign |
| 11. 7.72% GOI Mat 26-Oct-2055 | 321,125,310 | 2.90% | Sovereign |
| 12. 8.24% GOI Mat 15-Feb-2027 | 308,967,841 | 2.79% | Sovereign |
| 13. 8.20% GOI Mat 15-Feb-2022 | 301,605,000 | 2.73% | Sovereign |
| 14. 8.30% GOI Mat 31-Dec-2042 | 297,626,964 | 2.69% | Sovereign |
| 15. 8.28% GOI Mat 21-Sep-2027 | 275,330,610 | 2.49% | Sovereign |
| 16. 7.06% GOI Mat 10-Oct-2046 | 247,323,570 | 2.23% | Sovereign |
| 17. 8.13% GOI Mat 22-Jun-2045 | 222,418,821 | 2.01% | Sovereign |
| 18. 8.28% GOI Mat 15-Feb-2032 | 210,180,968 | 1.90% | Sovereign |
| 19. 6.68% GOI Mat 17-Sep-2031 | 197,742,690 | 1.79% | Sovereign |
| 20. 6.84% GOI Mat 19-Dec-2022 | 191,720,000 | 1.73% | Sovereign |
| 21. 7.59% GOI Mat 20-Mar-2029 | 186,420,000 | 1.68% | Sovereign |
| 22. 9.23% GOI Mat 23-Dec-2043 | 174,899,091 | 1.58% | Sovereign |
| 23. 8.30% GOI Mat 02-Jul-2040 | 139,000,841 | 1.26% | Sovereign |
| 24. 8.15% GOI Mat 24-Nov-2026 | 109,021,524 | 0.99% | Sovereign |
| 25. 8.24% GOI Mat 10-Nov-2033 | 104,469,452 | 0.94% | Sovereign |
| 26. 7.88%GOI Mat 19-Mar-2030 | 84,047,355 | 0.76% | Sovereign |
| 27. 7.95% GOI Mat 28-Aug-2032 | 79,419,050 | 0.72% | Sovereign |
| 28. 7.61% GOI Mat 09-May-2030 | 55,659,800 | 0.50% | Sovereign |
| 29. 8.33% GOI Mat 09-Jul-2026 | 49,224,085 | 0.44% | Sovereign |
| 30. 8.20% GOI Mat 24-Sep-2025 | 47,438,408 | 0.43% | Sovereign |
| 31. 9.20% GOI Mat 30-Sep-2030 | 43,987,082 | 0.40% | Sovereign |
| 32. 7.50% GOI Mat 10-Aug-2034 | 16,706,178 | 0.15% | Sovereign |
| 33. 8.26% GOI Mat 02-Aug-2027 | 2,503,695 | 0.02% | Sovereign |
| 34. 8.40% GOI Mat 28-Jul-2024 | 1,070,892 | 0.01% | Sovereign |
| 35. 7.72% GOI Mat 25-May-2025 | 980,391 | 0.01% | Sovereign |
| 36. 7.28% GOI Mat 03-Jun-2019 | 389,357 | 0.004% | Sovereign |
| 37. 7.16% GOI Mat 20-May-2023 | 125,320 | 0.001% | Sovereign |
| State Development Loans | | | |
| 1. 7.96% Maharashtra SDL Mat 29-Jun-2026 | 45,289,435 | 0.41% | Sovereign |
| 2. 8.36% Maharashtra SDL Mat 27-Jan-2026 | 45,287,690 | 0.41% | Sovereign |
| 3. 8.47% Maharashtra SDL Mat 10-Feb-2026 | 44,567,100 | 0.40% | Sovereign |
| 4. 8.67% Maharashtra SDL Mat 24-Feb-2026 | 30,034,200 | 0.27% | Sovereign |
| 5. 8.79% Gujrat SDL Mat 12-Sep-2028 | 10,104,550 | 0.09% | Sovereign |
| 6. 8.72% Andhra Pradesh SDL Mat 24-Feb-2026 | 10,032,920 | 0.09% | Sovereign |
| 7. 8.00% Tamil Nadu SDL Mat 28-Oct-2025 | 7,734,320 | 0.07% | Sovereign |
| 8. 8.24% Andhra Pradesh SDL Mat 09-Sep-2025 | 4,242,040 | 0.04% | Sovereign |
| 9. 8.44% Tamil Nadu SDL Mat 26-Nov-2024 | 4,013,562 | 0.04% | Sovereign |
| 10. 8.17% Tamil Nadu SDL Mat 26-Nov-2025 | 2,399,442 | 0.02% | Sovereign |
| 11. 9.77% Andhra Pradesh SDL Mat 28-Aug-2023 | 1,043,883 | 0.01% | Sovereign |
| 12. 9.49% Tamil Nadu SDL Mat 18-Dec-2023 | 1,034,622 | 0.01% | Sovereign |
| 13. 9.39% Maharashtra SDL Mat 20-Nov-2023 | 1,030,966 | 0.01% | Sovereign |
| Debt Instruments Total | 10,568,951,440 | 95.51% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan | 214,569,000 | 1.94% | AAA |
| Money Market Instruments Total | 214,569,000 | 1.94% | |
| Cash/Cash Equivalent & Net Current Assets | 282,635,441 | 2.55% | |
| Grand Total | 11,066,155,881 | 100.00% | |
| Average Maturity of Portfolio (in yrs) # | 15.32 | | |
| Modified Duration (in yrs) # | 7.88 | | |
| Yield to Maturity (%) (annualised) (at market price) # | 8.39% | | |
| Credit Rating Exposure | | | |
| Central Government Securities | 10,362,136,710 | 93.64% | |
| State Development Loans | 206,814,730 | 1.87% | |
| AAA / equivalent | - | - | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | - | - | |
| AA / equivalent | - | - | |
| AA- / equivalent | - | - | |
| A+ / equivalent | - | - | |
| A / equivalent | - | - | |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|-----------------------|----------------|-----------------|
| A- / equivalent | - | - | |
| BBB+ / equivalent | - | - | |
| BBB / equivalent | - | - | |
| BBB- / equivalent | - | - | |
| Lower (Below Investment Grade) (out of above Net NPA) | - | - | |
| TOTAL | 10,568,951,440 | 95.51% | |
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 214,569,000 | 1.94% | |
| Cash / cash equivalent net current assets | 282,635,441 | 2.55% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 11,066,155,881 | 100.00% | |
| Units Outstanding | 714,433,647 | | |
| NAV* | 15.4894 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2018 | | 15.5172 | |
| d. NAV at September 30,2018* | | 15.4894 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2018 | | - | |
| f. Total 'Infrastructure investments' September 30, 2018 | | - | |

Calculated on debt portfolio

*30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER I

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

| Sr No | Particulars | Scheme G Tier I | |
|-------|--|------------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| 1 | NAV per unit (₹) I | | |
| | Open | 15.5172 | 14.8365 |
| | High | 15.8224 | 15.6564 |
| | Low | 15.1370 | 14.6982 |
| | End @ | 15.4828 | 15.5772 |
| 2 | Closing Assets Under Management (₹ in Lakhs) | | |
| | End | 110,661.56 | 54,353.16 |
| | Average daily net assets (AAuM) II | 98,441.81 | 46,534.02 |
| 3 | Gross income as % of AAuM III | 4.08% | 4.72% |
| 4 | Expense ratio | | |
| a | Total expense as % of AAuM (scheme wise) IV | 0.01% | 0.01% |
| b | Management fee as % of AAuM (scheme wise) V | 0.01% | 0.01% |
| 5 | Net income as % of AAuM VI | -0.01% | 4.65% |
| 6 | Portfolio turnover ratio VII | 150.71% | 10.19% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year | -0.61% | 5.99% |
| | Benchmark | -1.70% | 6.35% |
| b | Since inception | 54.83% | 55.77% |
| | Benchmark | 50.19% | 52.75% |
| c | Compound annualised yield (%) VIII | | |
| | Last 1 year | -0.61% | 5.99% |
| | Last 2 year | 2.64% | 10.11% |
| | Last 3 year | 6.41% | 12.10% |
| | Since launch of the scheme | 8.83% | 11.23% |
| | Launch Date | August 01, 2013 | |
| I | NAV = (Market value of investment 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)) | | |
| II | AAuM = Average daily net assets | | |
| III | Gross income = Total Income as per Revenue Account | | |
| IV | Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss | | |
| V | Management fee as % of AAuM is annualised | | |
| VI | Net income = Surplus / Deficit as per Revenue Account | | |
| VII | Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management | | |
| VIII | Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ -1 (where n=365/no. of days) | | |
| | @ 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018. | | |



NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

**Un-audited Financial Statements for the half year
ended September 30, 2018**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II**

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme G Tier II | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Liabilities | | | |
| Unit Capital | 1 | 197,697,802 | 105,613,963 |
| Reserves & Surplus | 2 | 115,075,325 | 62,389,824 |
| Current Liabilities and Provisions | 3 | 1,128,820 | 5,707,893 |
| Total | | 313,901,947 | 173,711,680 |
| Assets | | | |
| Investments | 4 | 305,032,428 | 170,180,209 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 8,869,519 | 3,531,471 |
| Total | | 313,901,947 | 173,711,680 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 312,773,127 | 168,003,787 |
| (b) Number of units outstanding | | 19,769,780 | 10,561,396 |
| (c) NAV per unit (a)/(b) (₹)* | | 15.8207 | 15.9073 |
| Significant accounting policies and notes to accounts | 7 | | |

*30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme G Tier II | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Income | | | |
| Interest | | 10,411,104 | 4,671,340 |
| Profit on sale/redemption of investments | | 387,497 | 79,043 |
| Unrealised gain on appreciation in investments | | - | 914,980 |
| Other income | | | |
| - Miscellaneous Income | | 302 | - |
| Total Income (A) | | 10,798,903 | 5,665,363 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | 10,344,425 | - |
| Loss on sale/redemption of investments | | 991,114 | 58,500 |
| Management fees (including Goods and Service Tax / Service Tax) | | 16,137 | 7,602 |
| NPS Trust fees | | 6,838 | 6,512 |
| Custodian fees | | 4,872 | 2,433 |
| CRA fees | | 41,363 | 18,684 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (41,363) | (18,684) |
| Depository and settlement charges | | 2,100 | 1,121 |
| Total Expenditure (B) | | 11,365,486 | 76,168 |
| Surplus/(Deficit) for the year (A-B = C) | | (566,583) | 5,589,195 |
| Less: Amount transferred to Unrealised appreciation account | | 8,521 | (914,980) |
| Less: Amount transferred to General Reserve | | 558,062 | (4,674,215) |
| Amount carried forward to Balance Sheet | | - | - |
| Significant accounting policies and notes to accounts | 7 | | |

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

Schedules forming part of the un-audited half yearly financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme G Tier II | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Initial capital | | |
| <u>Unit capital</u> | | |
| Outstanding units at the beginning of the period | 146,720,932 | 63,342,401 |
| Add :Units issued during the period | 92,002,724 | 53,868,504 |
| Less: Units redeemed during the period | (41,025,854) | (11,596,942) |
| Outstanding at the end of the period | 197,697,802 | 105,613,963 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 14,672,093 | 6,334,240 |
| Add :Units issued during the period | 9,200,272 | 5,386,850 |
| Less: Units redeemed during the period | (4,102,585) | (1,159,694) |
| Outstanding Units at the end of the period | 19,769,780 | 10,561,396 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme G Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Unit premium reserve | | |
| Opening balance | 75,044,557 | 27,473,179 |
| Add: Premium on Units issued | 52,990,351 | 30,672,342 |
| Less: Premium on Units redeemed | (23,404,248) | (6,510,924) |
| Closing balance | 104,630,660 | 51,634,597 |
| General Reserve | | |
| Opening balance | 11,002,727 | 4,853,723 |
| Add/(Less): Transfer from/(to) Revenue Account | (558,062) | 4,674,215 |
| Closing balance | 10,444,665 | 9,527,938 |
| Unrealised Appreciation Reserve | | |
| Opening balance | 8,521 | 312,309 |
| Add: Adjustment for Previous years unrealised appreciation reserve | | |
| Add/(Less): Transfer from/(to) Revenue Account | (8,521) | 914,980 |
| Closing balance | - | 1,227,289 |
| Surplus/(deficit) in Revenue account | | |
| Total | 115,075,325 | 62,389,824 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme G Tier II | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Current liabilities & Provisions | | |
| Sundry creditors for expenses | 15,405 | 13,607 |
| Redemption Payable | 1,113,038 | 318,857 |
| TDS Payable | 377 | 179 |
| Contracts for purchase of investments | - | 5,375,250 |
| Provisions* | - | - |
| Total | 1,128,820 | 5,707,893 |

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II**

Schedules forming part of the un-audited half yearly financial statements

Schedule 4: Investments (Long Term and Short Term)**(In ₹)**

| Particulars | Scheme G Tier II | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Central and state government securities (including treasury bills) | 299,523,428 | 163,679,209 |
| Others - Mutual Fund Units | 5,509,000 | 6,501,000 |
| Total | 305,032,428 | 170,180,209 |

Schedule 5: Deposits**(In ₹)**

| Particulars | Scheme G Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Deposits with scheduled banks | - | - |
| Total | - | - |

Schedule 6: Other current assets**(In ₹)**

| Particulars | Scheme G Tier II | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Balances with banks in current account | 5,952 | 4,976 |
| Outstanding and accrued income | 5,869,567 | 3,257,732 |
| Application money pending allotment | 2,994,000 | - |
| Sundry debtors - Margin Money for Investments | - | 268,763 |
| Total | 8,869,519 | 3,531,471 |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2018

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. 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.

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. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply 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, 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 financials have been prepared for SCHEME G TIER II being managed by the Company.

The Company manages eight separate schemes under the two tiered structure (Tier I and II) prescribed under the NPS. The schemes are classified as Scheme E, C, G and A 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

Scheme A – Alternate Investment funds

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 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.

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) effective April 1, 2011. 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.

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.

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.

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.

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 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) are recognised on receipt and other incomes of miscellaneous nature are 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.

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 August 01, 2014, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

1.8 Trustee fees

Trustee Fees are recognized on daily accrual basis on closing Asset Under Management (AUM) in accordance with circular no. 1/20/2015/NPST dated October 19, 2015.

The Company has started charging Trustee fee of 0.005% per annum, with effect from April 01, 2018 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST/4764 dated March 19, 2018. The Trustee fees charged until March 31, 2018 was 0.01% per annum in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST dated October 19, 2015.

1.9 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.

2 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.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

| Particulars | Scheme G Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Uncalled liability on partly paid shares | NIL | NIL |
| Other commitments | NIL | 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 |
| Ms. Vibha Padalkar | Key Management Personnel |
| Mr. Parvez Mulla | Key Management Personnel (w.e.f. September 25 th , 2018) |
| Mr. Sumit Shukla | Key Management Personnel |
| Mr. Fagun Pancholi | Key Management Personnel |
| Mr. Nagesh Pai | Key Management Personnel |

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2017

(In ₹)

| Nature of Transaction | Scheme G Tier II | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees | 16,137 | 7,602 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | Scheme G Tier II | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees payable | 8,222 | 4,201 |

Aggregate investments made in the Associates and group companies as at September 30, 2017 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme G Tier II | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Ltd | | NIL | NIL | NIL | NIL |

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2017 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme G Tier II | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | | NIL | NIL | NIL | NIL |

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2017 is as follows :

(In ₹)

| Particular | Scheme G Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 272,765,456 | 129,889,767 |
| Purchase of Investment | 1,423,905,372 | 376,092,003 |
| % to average Net Assets Value | 522.03% | 289.55% |
| Sale of Investment | 1,334,640,154 | 300,149,707 |
| % to average Net Assets Value | 489.30% | 231.08% |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2017 is as follows :

(In ₹)

| Particular | Scheme G Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 272,765,456 | 129,889,767 |
| Purchase of Investment | 107,930,720 | 75,111,003 |
| % to average Net Assets Value | 39.57% | 57.83% |
| Sale of Investment | 17,205,009 | 3,025,664 |
| % to average Net Assets Value | 6.31% | 2.33% |

*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:

(In ₹)

| Industry Classification | Scheme G Tier II | | | |
|-------------------------------|--------------------|------------------------------|--------------------|------------------------------|
| | September 30, 2018 | | September 30, 2017 | |
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Central Government Securities | 281,883,580 | 90.12% | 155,688,628 | 92.67% |
| State Development Loans | 17,639,848 | 5.64% | 7,990,581 | 4.76% |
| Mutual Funds | 5,509,000 | 1.76% | 6,501,000 | 3.87% |
| Net Current Assets | 7,740,699 | 2.47% | (2,176,422) | -1.30% |
| Net Asset Value | 312,773,127 | 100.00% | 168,003,787 | 100.00% |

2.7 Age wise disclosure for Shares/debentures/ others application money pending allotment.

(In ₹)

| Security Name | Asset Type | Ageing | Scheme G Tier II | |
|---|---------------------|------------------|--------------------|--------------------|
| | | | September 30, 2018 | September 30, 2017 |
| Birla Sun Life Cash Plus - Growth - Direct Plan | Liquid Mutual Funds | Less than 7 Days | 2,994,000 | NIL |

2.8 Prior Year Comparatives :

The Figures of the previous period have been regrouped / rearranged, wherever applicable, to conform current year's presentation.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|--------------------|----------------|-----------------|
| Debt Instruments | | | |
| Central Government Securities | | | |
| 1. 7.40% GOI Mat 09-Sep-2035 | 27,547,498 | 8.81% | Sovereign |
| 2. 8.32% GOI Mat 02-Aug-2032 | 24,951,135 | 7.98% | Sovereign |
| 3. 8.17% GOI Mat 01-Dec-2044 | 22,636,935 | 7.24% | Sovereign |
| 4. 6.68% GOI Mat 17-Sep-2031 | 17,730,000 | 5.67% | Sovereign |
| 5. 7.61% GOI Mat 09-May-2030 | 16,190,200 | 5.18% | Sovereign |
| 6. 8.60% GOI Mat 02-Jun-2028 | 15,546,105 | 4.97% | Sovereign |
| 7. 7.73% GOI Mat 19-Dec-2034 | 15,348,153 | 4.91% | Sovereign |
| 8. 6.57% GOI Mat 05-Dec-2033 | 15,284,810 | 4.89% | Sovereign |
| 9. 8.83% GOI Mat 12-Dec-2041 | 13,709,025 | 4.38% | Sovereign |
| 10. 9.20% GOI Mat 30-Sep-2030 | 12,646,018 | 4.04% | Sovereign |
| 11. 7.06% GOI Mat 10-Oct-2046 | 12,418,247 | 3.97% | Sovereign |
| 12. 8.40% GOI Mat 28-Jul-2024 | 9,557,202 | 3.06% | Sovereign |
| 13. 7.72% GOI Mat 25-May-2025 | 8,823,519 | 2.82% | Sovereign |
| 14. 8.13% GOI Mat 22-Jun-2045 | 7,120,624 | 2.28% | Sovereign |
| 15. 8.15% GOI Mat 24-Nov-2026 | 7,077,240 | 2.26% | Sovereign |
| 16. 7.88%GOI Mat 19-Mar-2030 | 6,581,610 | 2.10% | Sovereign |
| 17. 8.24% GOI Mat 15-Feb-2027 | 6,384,753 | 2.04% | Sovereign |
| 18. 8.28% GOI Mat 15-Feb-2032 | 6,068,690 | 1.94% | Sovereign |
| 19. 8.30% GOI Mat 31-Dec-2042 | 5,500,314 | 1.76% | Sovereign |
| 20. 8.20% GOI Mat 24-Sep-2025 | 5,081,252 | 1.62% | Sovereign |
| 21. 7.59% GOI Mat 20-Mar-2029 | 4,780,000 | 1.53% | Sovereign |
| 22. 8.30% GOI Mat 02-Jul-2040 | 3,692,679 | 1.18% | Sovereign |
| 23. 8.24% GOI Mat 10-Nov-2033 | 3,375,136 | 1.08% | Sovereign |
| 24. 9.23% GOI Mat 23-Dec-2043 | 3,366,597 | 1.08% | Sovereign |
| 25. 7.95% GOI Mat 28-Aug-2032 | 3,154,950 | 1.01% | Sovereign |
| 26. 8.33% GOI Mat 09-Jul-2026 | 3,031,662 | 0.97% | Sovereign |
| 27. 8.33% GOI Mat 07-June-2036 | 2,000,550 | 0.64% | Sovereign |
| 28. 7.50% GOI Mat 10-Aug-2034 | 1,856,242 | 0.59% | Sovereign |
| 29. 8.28% GOI Mat 21-Sep-2027 | 201,434 | 0.06% | Sovereign |
| 30. 8.26% GOI Mat 02-Aug-2027 | 110,605 | 0.04% | Sovereign |
| 31. 8.12% GOI Mat 10-Dec-2020 | 110,395 | 0.04% | Sovereign |
| State Development Loans | | | |
| 1. 8.79% Gujrat SDL Mat 12-Sep-2028 | 5,264,471 | 1.68% | Sovereign |
| 2. 8.47% Maharashtra SDL Mat 10-Feb-2026 | 4,951,900 | 1.58% | Sovereign |
| 3. 8.36% Maharashtra SDL Mat 27-Jan-2026 | 3,938,060 | 1.26% | Sovereign |
| 4. 7.96% Maharashtra SDL Mat 29-Jun-2026 | 2,890,815 | 0.92% | Sovereign |
| 5. 8.44% Tamil Nadu SDL Mat 26-Nov-2024 | 594,602 | 0.19% | Sovereign |
| Debt Instruments Total | 299,523,428 | 95.76% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan | 5,509,000 | 1.76% | AAA |
| Money Market Instruments Total | 5,509,000 | 1.76% | |
| Cash/Cash Equivalent & Net Current Assets | 7,740,699 | 2.47% | |
| Grand Total | 312,773,127 | 100.00% | |
| Average Maturity of Portfolio (in yrs) # | 15.23 | | |
| Modified Duration (in yrs) # | 7.98 | | |
| Yield to Maturity (%) (annualised) (at market price) # | 8.43% | | |
| Credit Rating Exposure | | | |
| Central Government Securities | 281,883,580 | 90.12% | |
| State Development Loans | 17,639,848 | 5.64% | |
| AAA / equivalent | - | - | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | - | - | |
| AA / equivalent | - | - | |
| AA- / equivalent | - | - | |
| A+ / equivalent | - | - | |
| A / equivalent | - | - | |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|---------------------|-----------------------|------------------------|
| A- / equivalent | - | - | |
| BBB+ / equivalent | - | - | |
| BBB / equivalent | - | - | |
| BBB- / equivalent | - | - | |
| Lower (Below Investment Grade) (out of above Net NPA) | - | - | |
| TOTAL | 299,523,428 | 95.76% | |
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 5,509,000 | 1.76% | |
| Cash / cash equivalent net current assets | 7,740,699 | 2.47% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 312,773,127 | 100.00% | |
| Units Outstanding | 19,769,780 | | |
| NAV* | 15.8207 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2018 | | 15.8652 | |
| d. NAV at September 30,2018* | | 15.8207 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2018 | | - | |
| f. Total 'Infrastructure investments' September 30, 2018 | | - | |

Calculated on debt portfolio

*30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME G TIER II

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 (UN - AUDITED)

| Sr No | Particulars | Scheme G Tier II | |
|-------|--|--|--|
| | | September 30, 2018 | September 30, 2017 |
| 1 | NAV per unit (₹) I Open High Low End @ | 15.8652 16.1635 15.4733 15.8139 | 15.1528 15.9913 15.0039 15.9042 |
| 2 | Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II | 3,127.73 2,727.65 | 1,680.04 1,298.90 |
| 3 | Gross income as % of AAuM III | 3.96% | 4.36% |
| 4 | Expense ratio | | |
| a | Total expense as % of AAuM (scheme wise) IV | 0.01% | 0.01% |
| b | Management fee as % of AAuM (scheme wise) V | 0.01% | 0.01% |
| 5 | Net income as % of AAuM VI | -0.21% | 4.30% |
| 6 | Portfolio turnover ratio VII | 6.31% | 2.33% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year Benchmark | -0.57% -1.70% | 5.84% 6.35% |
| b | Since inception Benchmark | 58.14% 50.19% | 59.04% 52.75% |
| c | Compound annualised yield (%) VIII Last 1 year Last 2 years Last 3 years Since launch of the scheme | -0.57% 2.59% 6.40% 9.27% | 5.84% 10.07% 11.91% 11.79% |
| | Launch Date | August 01, 2013 | |
| I | NAV = (Market value of investment 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)) | | |
| II | AAuM = Average daily net assets | | |
| III | Gross income = Total Income as per Revenue Account | | |
| IV | Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss | | |
| V | Management fee as % of AAuM is annualised | | |
| VI | Net income = Surplus / Deficit as per Revenue Account | | |
| VII | Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management | | |
| VIII | Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ -1 (where n=365/no. of days) | | |
| | @ 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018. | | |



NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

**Un-audited Financial Statements for the half year
ended September 30, 2018**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme A Tier I | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Liabilities | | | |
| Unit Capital | 1 | 32,240,963 | 4,967,848 |
| Reserves & Surplus | 2 | 4,121,444 | 398,301 |
| Current Liabilities and Provisions | 3 | 91,930 | 1,496 |
| Total | | 36,454,337 | 5,367,645 |
| Assets | | | |
| Investments | 4 | 35,055,589 | 5,189,375 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 1,398,748 | 178,270 |
| Total | | 36,454,337 | 5,367,645 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 36,362,407 | 5,366,149 |
| (b) Number of units outstanding | | 3,224,096 | 496,785 |
| (c) NAV per unit (a)/(b) (₹)* | | 11.2783 | 10.8017 |
| Significant accounting policies and notes to accounts | 7 | | |

*30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

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

Vibha Padalkar

(Director)

Parvez Mulla

(Director)

Sumit Shukla

(Chief Executive Officer)

Fagun Pancholi

(Chief Financial Officer)

Nagesh Pai

(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme A Tier I | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Income | | | |
| Interest | | 1,031,232 | 16,301 |
| Profit on sale/redemption of investments | | 173,063 | 111,487 |
| Unrealised gain on appreciation in investments | | 27,041 | 79,416 |
| Other income | | | |
| - Miscellaneous Income | | 8 | - |
| Total Income (A) | | 1,231,344 | 207,204 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | 1,129,214 | - |
| Management fees (including Goods and Service Tax / Service Tax) | | 1,715 | 225 |
| NPS Trust fees | | 727 | 192 |
| Custodian fees | | 452 | 13 |
| CRA fees | | 28,904 | 5,743 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (28,904) | (5,743) |
| Depository and settlement charges | | 116 | 30 |
| Total Expenditure (B) | | 1,132,224 | 460 |
| Surplus/(Deficit) for the year (A-B = C) | | 99,120 | 206,744 |
| Less: Amount transferred to Unrealised appreciation account | | 114,032 | (79,416) |
| Less: Amount transferred to General Reserve | | (213,152) | (127,328) |
| Amount carried forward to Balance Sheet | | - | - |
| Significant accounting policies and notes to accounts | 7 | | |

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

Schedules forming part of the un-audited half yearly financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme A Tier I | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Initial capital | | |
| <u>Unit capital</u> | | |
| Outstanding at the beginning of the year | 18,053,363 | 2,325,120 |
| Add :Units issued during the year | 15,522,495 | 2,829,084 |
| Less: Units redeemed during the year | (1,334,895) | (186,356) |
| Outstanding at the end of the year | 32,240,963 | 4,967,848 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the year | 1,805,336 | 232,512 |
| Add :Units issued during the year | 1,552,250 | 282,908 |
| Less: Units redeemed during the year | (133,490) | (18,636) |
| Outstanding Units at the end of the year | 3,224,096 | 496,785 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme A Tier I | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Unit premium reserve | | |
| Opening balance | 1,542,552 | 50,962 |
| Add: Premium on Units issued | 1,967,881 | 133,269 |
| Less: Premium on Units redeemed | (170,116) | (8,059) |
| Closing balance | 3,340,317 | 176,172 |
| General Reserve | | |
| Opening balance | 523,924 | (52) |
| Add: Transfer from Revenue Account | 213,152 | 127,328 |
| Closing balance | 737,076 | 127,276 |
| Unrealised Appreciation Reserve | | |
| Opening balance | 158,083 | 15,437 |
| Add: Adjustment for Previous years unrealised appreciation reserve | - | - |
| Add: Transfer from Revenue Account | (114,032) | 79,416 |
| Closing balance | 44,051 | 94,853 |
| Total | 4,121,444 | 398,301 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme A Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Current liabilities | | |
| Sundry creditors for expenses | 1,627 | 270 |
| Redemption Payable | 90,266 | 1,219 |
| TDS Payable | 37 | 7 |
| Provisions* | - | - |
| Total | 91,930 | 1,496 |

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I**

Schedules forming part of the un-audited half yearly financial statements

Schedule 4: Investments (Long Term and Short Term)**(In ₹)**

| Particulars | Scheme A Tier I | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Others - Mutual Fund Units | 7,301,051 | 3,101,558 |
| Basel III Tier I bonds | 27,754,538 | 2,087,817 |
| Total | 35,055,589 | 5,189,375 |

Schedule 5: Deposits**(In ₹)**

| Particulars | Scheme A Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Deposits with scheduled banks | - | - |
| Total | - | - |

Schedule 6: Other current assets**(In ₹)**

| Particulars | Scheme A Tier I | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Balances with banks in current account | 62,037 | 38,749 |
| Outstanding and accrued income | 1,336,711 | 139,521 |
| Total | 1,398,748 | 178,270 |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2018

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. 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.

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. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply 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, 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 financials have been prepared for SCHEME A TIER I being managed by the Company.

The Company manages eight separate schemes under the two tiered structure (Tier I and II) prescribed under the NPS. The schemes are classified as Scheme E, C, G and A 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

Scheme A – Alternate Investment funds

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 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.

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) effective April 1, 2011. 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.

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

1.4 Income Recognition

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.

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 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.

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.

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 August 01, 2014, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

1.8 Trustee fees

Trustee Fees are recognized on daily accrual basis on closing Asset Under Management (AUM) in accordance with circular no. 1/20/2015/NPST dated October 19, 2015.

The Company has started charging Trustee fee of 0.005% per annum, with effect from April 01, 2018 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST/4764 dated March 19, 2018. The Trustee fees charged until March 31, 2018 was 0.01% per annum in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST dated October 19, 2015.

1.9 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.

2 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.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

| Particulars | Scheme A Tier I | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Uncalled liability on partly paid shares | NIL | NIL |
| Other commitments | NIL | 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 |
| Ms. Vibha Padalkar | Key Management Personnel |
| Mr. Parvez Mulla | Key Management Personnel (w.e.f. September 25 th , 2018) |
| Mr. Sumit Shukla | Key Management Personnel |
| Mr. Fagun Pancholi | Key Management Personnel |
| Mr. Nagesh Pai | Key Management Personnel |

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2018

(In ₹)

| Nature of Transaction | Scheme A Tier I | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees | 1,715 | 225 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | Scheme A Tier I | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees payable | 913 | 125 |

Aggregate investments made in the Associates and group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme A Tier I | | | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | As at September 30, 2018 | | As at September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC LTD | | NIL | NIL | NIL | NIL |

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme A Tier I | | | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | As at September 30, 2018 | | As at September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | | NIL | NIL | NIL | NIL |

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme A Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 28,983,963 | 3,838,493 |
| Purchase of Investment | 261,588,976 | 7,311,741 |
| % to average Net Assets Value | 902.53% | 190.48% |
| Sale of Investment | 245,029,062 | 4,580,886 |
| % to average Net Assets Value | 845.40% | 119.34% |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme A Tier I | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | 28,983,963 | 3,838,493 |
| Purchase of Investment | 15,132,975 | 2,131,741 |
| % to average Net Assets Value | 52.21% | 55.54% |
| Sale of Investment | - | - |
| % to average Net Assets Value | - | - |

*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:

(In ₹)

| Industry Classification | Scheme A Tier I | | | |
|---|--------------------|------------------------------|--------------------|------------------------------|
| | September 30, 2018 | | September 30, 2017 | |
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Monetary intermediation of commercial / saving / postal banks | 27,754,538 | 76.33% | 2,087,817 | 38.91% |
| Mutual Funds | 7,301,051 | 20.08% | 3,101,558 | 57.80% |
| Net Current Assets | 1,306,818 | 3.59% | 176,774 | 3.29% |
| Net Asset Value | 36,362,407 | 100.00% | 5,366,149 | 100.00% |

Note :

1. Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.

2.7 Age wise disclosure for Shares/debentures/ others application money pending allotment.

(In ₹)

| Security Name | Asset Type | Ageing | Scheme A Tier I | |
|---------------|------------|--------|--------------------|--------------------|
| | | | September 30, 2018 | September 30, 2017 |
| | NIL | NIL | NIL | NIL |

2.8 Prior Year Comparatives :

The Figures of the previous period have been regrouped / rearranged, wherever applicable, to conform current year's presentation.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|-------------------|----------------|-----------------|
| Asset Backed, Trust Structured and Miscellaneous Investments | | | |
| Basel III Tier-1 bonds | | | |
| 1. 9.50 Indusind Bank Perpetual AT-1 (Call date18/04/2022) | 9,808,307 | 26.97% | AA |
| 2. 9.20 ICICI Bank Perpetual AT-1 (Call date17/03/2022) | 6,943,798 | 19.10% | AA+ |
| 3. 8.75 Axis Bank Perpetual AT-1 Series26(Call date14/12/2021) | 6,606,454 | 18.17% | AA+ |
| 4. 8.15 SBI Bank Perpetual AT-1 (Call date02/008/2022). | 4,395,979 | 12.09% | AA+ |
| Asset Backed, Trust Structured and Miscellaneous Investments Total | 27,754,538 | 76.33% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan | 7,301,051 | 20.08% | AAA |
| Money Market Instruments Total | 7,301,051 | 20.08% | |
| Cash/Cash Equivalent & Net Current Assets | 1,306,818 | 3.59% | |
| Grand Total | 36,362,407 | 100.00% | |
| Average Maturity of Portfolio (in yrs) | N.A. | | |
| Modified Duration (in yrs) | N.A. | | |
| Yield to Maturity (%) (annualised) (at market price) | N.A. | | |
| Credit Rating Exposure | | | |
| Central Government Securities | - | - | |
| State Development Loans | - | - | |
| AAA / equivalent | - | - | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | 17,946,231 | 49.35% | |
| AA / equivalent | 9,808,307 | 26.97% | |
| AA- / equivalent | - | - | |
| A+ / equivalent | - | - | |
| A / equivalent | - | - | |
| A- / equivalent | - | - | |
| BBB+ / equivalent | - | - | |
| BBB / equivalent | - | - | |
| BBB- / equivalent | - | - | |
| Lower (Below Investment Grade) (out of above Net NPA) | - | - | |
| TOTAL | 27,754,538 | 76.33% | |
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 7,301,051 | 20.08% | |
| Cash / cash equivalent net current assets | 1,306,818 | 3.59% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 36,362,407 | 100.00% | |
| Units Outstanding | 3,224,096 | | |
| NAV* | 11.2783 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2018 | | 11.2322 | |
| d. NAV at September 30,2018* | | 11.2783 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2018 | | - | |
| f. Total 'Infrastructure investments' September 30, 2018 | | - | |

*30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER I

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

| Sr No | Particulars | Scheme A Tier I | |
|-------|---|-------------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| 1 | NAV per unit (₹) I | | |
| | Open | 11.2322 | 10.2853 |
| | High | 11.5436 | 10.8007 |
| | Low | 11.0059 | 10.2933 |
| | End @ | 11.2738 | 10.8007 |
| 2 | Closing Assets Under Management (₹ in Lakhs) | | |
| | End | 363.62 | 53.66 |
| | Average daily net assets (AAuM) II | 289.84 | 38.38 |
| 3 | Gross income as % of AAuM III | 4.25% | 5.40% |
| 4 | Expense ratio | | |
| a | Total expense as % of AAuM (scheme wise) IV | 0.01% | 0.01% |
| b | Management fee as % of AAuM (scheme wise) V | 0.01% | 0.01% |
| 5 | Net income as % of AAuM VI | 0.34% | 5.39% |
| 6 | Portfolio turnover ratio VII | 0.00% | 0.00% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year | 4.38% | N.A. |
| | Benchmark VIII | N.A. | N.A. |
| b | Since inception | 12.74% | 8.01% |
| | Benchmark VIII | N.A. | N.A. |
| c | Compound annualised yield (%) IX | | |
| | Last 1 year | 4.38% | N.A. |
| | Last 2 year | N.A. | N.A. |
| | Last 3 year | N.A. | N.A. |
| | Since launch of the scheme | 6.27% | 8.27% |
| | Launch Date | October 10, 2016 | |
| I | NAV = (Market value of investment 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)) | | |
| II | AAuM = Average daily net assets | | |
| III | Gross income = Total Income as per Revenue Account | | |
| IV | Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss | | |
| V | Management fee as % of AAuM is annualised | | |
| VI | Net income = Surplus / Deficit as per Revenue Account | | |
| VII | Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management | | |
| VIII | As per fund objective of Scheme A, the fund is mandated to invest in Commercial/Residential mortgage based securities, Units issued by REITs, Alternative Investment Funds, Units issued by InvITs, Asset backed securities, etc. for that there is no comparable market benchmarks is available and hence benchmark returns are not disclosed for this fund. | | |
| IX | Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ -1 (where n=365/no. of days) @ 30th Sep.2018 being the last day of half year and non business day, computed NAV is for disclosure purpose only. The last declared NAV for the half year is 28th Sep.2018. | | |



NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II

**Un-audited Financial Statements for the half year
ended September 30, 2018**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II**

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme A Tier II | |
|--|----------|----------------------|--------------------|
| | | September 30, 2018 * | September 30, 2017 |
| Liabilities | | | |
| Unit Capital | 1 | - | - |
| Reserves & Surplus | 2 | - | - |
| Current Liabilities and Provisions | 3 | - | - |
| Total | | - | - |
| Assets | | | |
| Investments | 4 | - | - |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | - | - |
| Total | | - | - |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | - | - |
| (b) Number of units outstanding | | - | - |
| (c) NAV per unit (a)/(b) (₹) | | - | - |
| Significant accounting policies and notes to accounts | 7 | | |

* Pursuant to directions given by PFRDA, the Scheme was closed on June 16,2017, hence current 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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II**

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Particulars | Schedule | Scheme A Tier II | |
|--|----------|--------------------|--------------------|
| | | September 30, 2018 | September 30, 2017 |
| Income | | | |
| Unrealised gain on appreciation in investments | | - | 6,639 |
| Total Income (A) | | - | 6,639 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | - | 1,181 |
| Management fees (including service tax) | | - | 9 |
| NPS Trust fees | | - | 9 |
| CRA fees | | - | - |
| Less : Amount recoverable on sale of units on account of CRA Charges | | - | - |
| Total Expenditure (B) | | - | 1,199 |
| Surplus/(Deficit) for the year (A-B = C) | | - | 5,440 |
| Less: Amount transferred to Unrealised appreciation account | | - | 1,181 |
| Less: Amount transferred to General Reserve | | - | (6,621) |
| Balance at the end of the period carried to Balance Sheet | | - | - |
| Significant accounting policies and notes to accounts | 7 | | |

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 16, 2018

NATIONAL PENSION SYSTEM TRUST
NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II

Schedules forming part of the un-audited half yearly financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme A Tier II | |
|---|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Initial capital | | |
| Unit capital | | |
| Outstanding at the beginning of the year | - | 143,533 |
| Add :Units issued during the year | - | 418,304 |
| Less: Units redeemed during the year | - | (561,837) |
| Outstanding at the end of the year | - | - |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the year | - | 14,353 |
| Add :Units issued during the year | - | 41,830 |
| Less: Units redeemed during the year | - | (56,184) |
| Outstanding Units at the end of the year | - | - |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme A Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Unit premium reserve | | |
| Opening balance | - | 1,733 |
| Add: Premium on Units issued | - | 10,625 |
| Less: Premium on Units redeemed | - | (18,975) |
| Closing balance | - | (6,617) |
| General Reserve | | |
| Opening balance | - | (4) |
| Add/(Less): Transfer from/(to) Revenue Account | - | 6,621 |
| Closing balance | - | 6,617 |
| Unrealised Appreciation Reserve | | |
| Opening balance | - | 1,181 |
| Add/(Less): Transfer from/(to) Revenue Account | - | (1,181) |
| Closing balance | - | - |
| Total | - | - |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme A Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Current liabilities | | |
| Sundry creditors for expenses | - | - |
| Redemption Payable | - | - |
| Total | - | - |

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II**

Schedules forming part of the un-audited half yearly financial statements

Schedule 4: Investments (Long Term and Short Term)**(In ₹)**

| Particulars | Scheme A Tier II | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Others - Mutual Fund Units | - | - |
| Total | - | - |

Schedule 5: Deposits**(In ₹)**

| Particulars | Scheme A Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Deposits with scheduled banks | - | - |
| Total | - | - |

Schedule 6: Other current assets**(In ₹)**

| Particulars | Scheme A Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Balances with banks in current account | - | - |
| Total | - | - |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2018

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. 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.

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. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply 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, 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 financials have been prepared for SCHEME A TIER II being managed by the Company.

The Company manages eight separate schemes under the two tiered structure (Tier I and II) prescribed under the NPS. The schemes are classified as Scheme E, C, G and A 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

Scheme A – Alternate Investment funds

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 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.

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) effective April 1, 2011. 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.

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

1.4 Income Recognition

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.

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 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) are recognised on receipt and other incomes of miscellaneous nature are 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.

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 August 01, 2014, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/6/PFM/9/2 dated July 31, 2014.

1.8 Trustee fees

Trustee Fees are recognized on daily accrual basis on closing Asset Under Management (AUM) in accordance with circular no. 1/20/2015/NPST dated October 19, 2015.

The Company has started charging Trustee fee of 0.005% per annum, with effect from April 01, 2018 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST/4764 dated March 19, 2018. The Trustee fees charged until March 31, 2018 was 0.01% per annum in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPST dated October 19, 2015.

1.9 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.

2 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.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

| Particulars | Scheme A Tier II | |
|--|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Uncalled liability on partly paid shares | NIL | NIL |
| Other commitments | NIL | 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 |
| Ms. Vibha Padalkar | Key Management Personnel |
| Mr. Parvez Mulla | Key Management Personnel (w.e.f. September 25 th , 2018) |
| Mr. Sumit Shukla | Key Management Personnel |
| Mr. Fagun Pancholi | Key Management Personnel |
| Mr. Nagesh Pai | Key Management Personnel |

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2018

(In ₹)

| Nature of Transaction | Scheme A Tier II | |
|----------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees | - | 9 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | Scheme A Tier II | |
|------------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Investment management fees payable | - | - |

Aggregate investments made in the Associates and group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme A Tier II | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Ltd | | NIL | NIL | NIL | NIL |

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2018 are as follows:

(In ₹)

| Name of the Company | Asset type | Scheme A Tier II | | | |
|---------------------|------------|--------------------|--------------|--------------------|--------------|
| | | September 30, 2018 | | September 30, 2017 | |
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | | NIL | NIL | NIL | NIL |

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme A Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | NIL | 163,595 |
| Purchase of Investment | NIL | 408,499 |
| % to average Net Assets Value | NIL | 249.70% |
| Sale of Investment | NIL | 559,240 |
| % to average Net Assets Value | NIL | 3.42 |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2018 is as follows :

(In ₹)

| Particular | Scheme A Tier II | |
|-------------------------------|--------------------|--------------------|
| | September 30, 2018 | September 30, 2017 |
| Average Net Asset Value | NIL | 163,595 |
| Purchase of Investment | NIL | - |
| % to average Net Assets Value | NIL | - |
| Sale of Investment | NIL | - |
| % to average Net Assets Value | NIL | - |

*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:

(In ₹)

| Industry Classification | Scheme A Tier II | | | |
|-------------------------|--------------------|------------------------------|--------------------|------------------------------|
| | September 30, 2018 | | September 30, 2017 | |
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| | NIL | NIL | NIL | NIL |
| | NIL | NIL | NIL | NIL |
| Net Asset Value | - | - | - | - |

2.7 Age wise disclosure for Shares/debentures/ others application money pending allotment.

(In ₹)

| Security Name | Asset Type | Ageing | Scheme A Tier II | |
|---------------|------------|--------|--------------------|--------------------|
| | | | September 30, 2018 | September 30, 2017 |
| | NIL | NIL | NIL | NIL |

2.8 Prior Year Comparatives :

The Figures of the previous period have been regrouped / rearranged, wherever applicable, to conform current year's presentation.

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018

(In ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|--------------|----------------|-----------------|
| Asset Backed, Trust Structured and Miscellaneous Investments | | | |
| Alternative Investment Funds (AIF) Total | - | - | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| Money Market Instruments Total | - | - | |
| Cash/Cash Equivalent & Net Current Assets | - | - | |
| Grand Total | - | - | |
| Average Maturity of Portfolio (in yrs) | N.A. | | |
| Modified Duration (in yrs) | N.A. | | |
| Yield to Maturity (%) (annualised) (at market price) | N.A. | | |
| Credit Rating Exposure | | | |
| Central Government Securities | - | - | |
| State Development Loans | - | - | |
| AAA / equivalent | - | - | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | - | - | |
| AA / equivalent | - | - | |
| AA- / equivalent | - | - | |
| A+ / equivalent | - | - | |
| A / equivalent | - | - | |
| A- / equivalent | - | - | |
| BBB+ / equivalent | - | - | |
| BBB / equivalent | - | - | |
| BBB- / equivalent | - | - | |
| Lower (Below Investment Grade) | - | - | |
| (out of above Net NPA) | - | - | |
| TOTAL | - | - | |
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | - | - | |
| Cash / cash equivalent net current assets | - | - | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | - | - | |
| Units Outstanding | - | | |
| NAV | - | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | | - |
| b. Total value and percentage of illiquid equity shares | | | - |
| c. NAV at March 31,2018 | | | - |
| d. NAV at September 30,2018 | | | - |
| e. Total outstanding exposure in derivative instruments at September 30, 2018 | | | - |
| f. Total 'Infrastructure investments' September 30, 2018 | | | - |

NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME A TIER II

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2018 (UN-AUDITED)

| Sr No | Particulars | Scheme A Tier II | |
|-------|---|-------------------------|--------------------|
| | | September 30, 2018 * | September 30, 2017 |
| 1 | NAV per unit (₹) I | | |
| | Open | 10.0000 | 10.2027 |
| | High | 10.0000 | 10.6761 |
| | Low | 10.0000 | 10.0000 |
| | End | 10.0000 | N.A. |
| 2 | Closing Assets Under Management (₹ in Lakhs) | | |
| | End | N.A. | 0.00 |
| | Average daily net assets (AAuM) II | N.A. | 1.64 |
| 3 | Gross income as % of AAuM III | N.A. | 4.06% |
| 4 | Expense ratio | | |
| a | Total expense as % of AAuM (scheme wise) IV | N.A. | 0.01% |
| b | Management fee as % of AAuM (scheme wise) V | N.A. | 0.01% |
| 5 | Net income as % of AAuM VI | N.A. | 3.32% |
| 6 | Portfolio turnover ratio VII | N.A. | - |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year | N.A. | N.A. |
| | Benchmark VIII | N.A. | N.A. |
| b | Since inception | N.A. | N.A. |
| | Benchmark VIII | N.A. | N.A. |
| c | Compound annualised yield (%) IX | | |
| | Last 1 year | N.A. | N.A. |
| | Last 2 year | N.A. | N.A. |
| | Last 3 year | N.A. | N.A. |
| | Since launch of the scheme | N.A. | N.A. |
| | Launch Date | October 10, 2016 | |
| I | NAV = (Market value of investment 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)) | | |
| II | AAuM = Average daily net assets | | |
| III | Gross income = Total Income as per Revenue Account | | |
| IV | Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss | | |
| V | Management fee as % of AAuM is annualised | | |
| VI | Net income = Surplus / Deficit as per Revenue Account | | |
| VII | Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management | | |
| VIII | As per fund objective of Scheme A, the fund is mandated to invest in Commercial/Residential mortgage based securities, Units issued by REITs, Alternative Investment Funds, Units issued by InvITs, Asset backed securities, etc. for that there is no comparable market benchmarks is available and hence benchmark returns are not disclosed for this fund. | | |
| IX | Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ - 1 (where n=365/no. of days) | | |
| | * Pursuant to directions given by the PFRDA vide circular No PFRDA/2017/PF/2 dated May 04, 2017, the scheme was closed on June 16, 2017 and all assets were transferred to Scheme A Tier 1. Scheme doesn't hold any assets/investment as on March 31, 2018. | | |